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LEGISLATIVE HISTORY

Public Law 89-316
H. R. 8370

TABLE OF CONTENTS

Index and summary of H. R. 8370 1
Digest of Public Law 89-316 2

INDEX AND SUMMARY OF H. R. 8370

May	20, 1965	House Appropriations Committee reported H. R. 8370. H. Report No. 364. Print of bill and report.
May	26, 1965	House passed H. R. 8370 with amendments.
May	27, 1965	H. R. 8370 was referred to the Senate Appropriations Committee. Print of bill as referred.
June	25, 1965	Senate subcommittee approved H. R. 8370
June	30, 1965	Senate committee voted to report H. R. 8370.
July	6, 1965	Senate committee reported H. R. 8370 with amendments. S. Report No. 423. Print of bill and report.
		Sen. Holland submitted proposed amendments.
July	7, 1965	Sen. Hart submitted a proposed amendment.
July	13, 1965	Senate passed H. R. 8370 with amendments.
		Senate conferees were appointed.
		Print of bill as passed by Senate.
Aug.	9, 1965	House conferees were appointed.
Oct.	13, 1965	Conferees agreed to file a report.
Oct.	20, 1965	House received and agreed to conference report. H. Report No. 1186. Print of report.
		Summary table of provisions.
Oct.	21, 1965	Senate agreed to conference report on H. R. 8370.
Nov.	2, 1965	Approved: Public Law 89-316.

DIGEST OF PUBLIC LAW 89-316

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION ACT, 1966.

Title I of the Act provides appropriations for general activities of the Department (other than Forest Service) for the fiscal year 1966 in the amount of $1,685,251,500. Title II (Credit Agencies) provides loan authorizations of $837,000,000, including $125,000,000 in contigency reserves, and appropriates $62,634,000, of which $55,934,000 is for the administrative expenses of the Rural Electrification Administration and the Farmers Home Administration, and $6,700,000 for other FHA programs. Title III (Corporations) appropriates $2,800,000,000 for reimbursement to the Commodity Credit Corporation for net realized losses and provides an administrative expense limitation of $36,650,000. Title III further appropriates $8,000,000, in addition to authorizing the use of $4,000,000 of premium income for administrative and operating expenses of the Federal Crop Insurance Corporation. In addition, Title III includes appropriations for Foreign Assistance Programs of $1,685,544,000 for fiscal year 1966 and unrecovered prior years' costs of the Public Law 480 program and the International Wheat Agreement. Title IV provides an administrative expense limitation of $2,990,000 for the Farm Credit Administration and appropriates $1,500,000 for the National Commission on Food Marketing. Permanent appropriations are available in 1965 in the amount of $416,088,093. (At the end of this Digest is a summary table of appropriations for fiscal year 1966 compared with 1964 and 1965.)

Items of major significance in the Act,including amounts of increase or decrease over 1965, excluding the 1965 supplemental for Appalachia, are as follows:

AGRICULTURAL RESEARCH SERVICE: $200,922,000 appropriated an increase of $5,153,800. In addition a transfer from Section 32 of $18,100,000 was authorized. Changes include:

Research -- $123,622,500 appropriated plus a reappropriation of prior years' funds of $2,000,000 and a transfer of $18,100,000 from Section 32, a net increase of $8,348,500; Plant and animal disease and pest control -- $74,299,500, an increase of $3,130,300; Salaries and expenses (special foreign currency program) -- $3,000,000 appropriated, an increase of $1,000,000.

COOPERATIVE STATE RESEARCH SERVICE: $54,795,000 appropriated plus a transfer of $400,000 from Section 32, an increase of $4,798,000.

EXTENSION SERVICE (Principally payments to States): $89,135,000 appropriated, an increase of $4,028,000.

FARMER COOPERATIVE SERVICE: Salaries and expenses -- $1,141,000 appropriated, no increase.

SOIL CONSERVATION SERVICE: $223,485,000 appropriated, an increase of $9,517,000. This includes: Conservation operations -- $106,373,000 appropriated, an increase of $2,140,000; Watershed planning --$5,721,000 appropriated, no increase; Watershed protection -- $65,671,000 appropriated, an increase of $4,651,000; Flood prevention -- $25,417,000 appropriated, a decrease of $900,000 to delete a non-recurring 1965 appropriation for emergency measures; Great Plains Conservation program -- $16,000,000 appropriated, an increase of $1,136,000; Resource conservation and development -- $4,303,000 appropriated, an increase of $2,490,000.

ECONOMIC RESEARCH SERVICE: Salaries and expenses -- $11,536,000 appropriated, an increase of $614,000.

STATISTICAL REPORTING SERVICE: Salaries and expenses -- $13,755,000 appropriated, an increase of $1,889,000.

CONSUMER AND MARKETING SERVICE: Consumer Protective, Marketing, and Regulatory Programs -- $76,192,000 appropriated, an increase of $2,440,000; Payments to States -- $1,750,000 appropriated, an increase of $250,000; Special milk program -- $103,000,000 appropriated, no increase; School lunch program -- $157,000,000 appropriated, plus $45,000,000 transferred from Section 32, an increase of $10,600,000. Food Stamp program -- $80,000,000 appropriated, plus a reappropriation of $20,000,000 of prior years' funds, for a total program of $100,000,000, an increase of $40,000,000.

FOREIGN AGRICULTURAL SERVICE: Salaries and expenses -- $20,574,000 appropriated, a decrease of $205,000. The Act also authorizes the transfer of $3,117,000 from Section 32 funds to this appropriation.

COMMODITY EXCHANGE AUTHORITY: Salaries and expenses -- $1,169,000 appropriated, no increase.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE: Expenses, Agricultural Stabilization and Conservation Service -- $126,278,500 appropriated and a transfer of $81,933,500 from the Commodity Credit Corporation, a net increase of

$429,900 in all funds available; Sugar Act program -- $95,000,000 appropriated, a decrease of $1,000,000; Agricultural conservation program -- $220,000,000 appropriated, a decrease of $5,000,000. The Act also provides an advance authorization of $220,000,000 for the 1966 program. Conservation reserve program -- $146,000,000 appropriated, a decrease of $48,000,000. Cropland conversion program -- $7,500,000 appropriated, a decrease of $7,500,000. Emergency conservation measures -- $24,000,000, an increase of $10,000,000.

RURAL COMMUNITY DEVELOPMENT SERVICE: Salaries and expenses -- $625,000 appropriated, an increase of $493,000.

OFFICE OF THE INSPECTOR GENERAL: Salaries and expenses -- $10,491,000, an increase of $375,000.

OFFICE OF THE GENERAL COUNSEL: Salaries and expenses -- $4,184,000, an increase of $145,000.

NATIONAL AGRICULTURAL LIBRARY: Salaries and expenses -- $1,699,000 appropriated, an increase of $100,000; Library facilities -- $7,000,000 appropriated, an increase of $7,000,000.

OFFICE OF INFORMATION: Salaries and expenses -- $1,689,000 appropriated, no increase.

OFFICE OF MANAGEMENT SERVICES: Salaries and expenses -- $2,483,000 appropriated, no increase.

GENERAL ADMINISTRATION: Salaries and expenses -- $3,848,000 appropriated, an increase of $295,000.

RURAL ELECTRIFICATION ADMINISTRATION: Loan authorizations -- $462,000,000, consisting of $365,000,000 for electrification loans, including a $60,000,000 contingency reserve, no increase; and $97,000,000 for telephone loans including a $15,000,000 contingency reserve, an increase of $27,000,000. Salaries and expenses -- $11,934,000 appropriated, no increase.

FARMERS HOME ADMINISTRATION: Loan authorizations -- $375,000,000, consisting of $75,000,000 for real estate loans, an increase of $15,000,000; and $300,000,000 for operating loans, including a $50,000,000 contingency reserve, no increase. Salaries and expenses -- $44,000,000 appropriated, an increase of $2,767,000; Rural Housing for Domestic Farm Labor -- $3,000,000 appropriated, an increase of $3,000,000; Rural renewal -- $1,200,000 appropriated, no increase; and Rural Housing for the Elderly Revolving Fund -- $2,500,000 appropriated, a decrease of $2,500,000.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250
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U. S. Department of Agriculture

Issued May 21, 1965
For actions of May 20, 1965
89th-1st, No. 91

CONTENTS

Acreage allotments.....2
Adjournment.....26
Agricultural appropriations.....8,47
Appropriations..8,25,37,47
Atomic energy.....17
Budget.....37
CCC grain.....28
Civil service.....7
Committee assignments....7
Conservation.....3
Cooperatives.....38
Cotton.....4
Credit.....46
Dairy.....14
Disaster relief....1,27,39
Economic development....49
Education.....15,29
Electrification...18,34,38
Extension work.....29
Farm program.....22
Farm workers..20,23,31,40
Feed grain.....39
Food and drug.....42
Foreign aid.....12,25
Foreign trade.....19
Forestry.....6,9,36
GSA.....30
Highways.....54
Housing.....11,35,48
Item veto.....37
Lands.....36,52
Legislative program....25
Marketing.....32
Meat imports.....16
Milk.....44
Nominations.....30
Opinion poll.....21
Personnel.....24,43
Pollution.....6
Poverty.....13
Public works.....49,55
REA.....18
Recreation.....6,10
Research.....41
Retirement.....43
River basin.....52
Saline water.....41
SCS.....3
Strawberry harvest.....23
Tax commission.....45
Tobacco.....2
Transportation.....53
Under Secretary.....30
User fees.....3
Wages.....20
Water resources.....5,33
Wildlife.....33
Wool.....50

HIGHLIGHTS: See page 6

SENATE

1. DISASTER RELIEF. Concurred in the House amendments to S. 327, to provide assistance to Calif., Ore., Wash., Nev., and Idaho for the reconstruction of areas damaged by recent floods and highwaters (pp. 10726-7). This bill will now be sent to the President. See Digest 90 for a summary of provisions of this bill.

2. TOBACCO. Passed without amendmendment H. J. Res. 436, to permit tobacco farmers who have entered into a lease for the transfer of 1965 tobacco acreage allotments an additional 20 days after enactment of this joint resolution to file such leases with their local ASC county committee (p. 10725). This bill will now be sent to the President.

3. SOIL AND WATER CONSERVATION. Sen. Proxmire inserted a National Farmers Union policy statement supporting increased "funds for the SCS and ACP in keeping with conservation needs inventory," and expressing opposition to "the Budget Bureau proposal for Congress to authorize a revolving fund through which soil conservation districts and farmers and ranchers would pay the Federal Government a part of the costs of technical assistance." pp. 10660-1

Sen. McGee inserted an American Forests magazine editorial critical of the proposed cut in "the technical assistance program of the Soil Conservation Service by $20 million." pp. 10665-6

4. COTTON. Sen. Yarborough criticized the proposed changes by this Department in the rules relating to skip-row planting of cotton and stated that "this is an indefensible move by the Secretary of Agriculture to curtail cotton production by using his powers to issue regulations rather than taking the proper course of coming to Congress with a new program for cotton." pp. 10689-90

5. WATER RESOURCES. Conferees were appointed on S. 1229, to provide uniform rules for the treatment of recreation and fish and wildlife benefits and costs in connection with Federal water resource projects of the Corps of Engineers and the Bureau of Reclamation (pp. 10724-5). House conferees have not yet been appointed.

6. POLLUTION. Sen. Clark inserted a series of articles on the "increasing pollution of his environment by man," including one reviewing recreational facilities in National Parks and Forests. pp. 10710-21

7. COMMITTEE ASSIGNMENTS. Assignments were made to the various subcommittees of the Post Office and Civil Service Committee. p. D427

HOUSE

8. AGRICULTURAL APPROPRIATION BILL, 1966. The Appropriations Committee reported this bill, H R. 8370 (H. Rept. 364)(p. 10795). Attached to this Digest is a copy of the committee report which includes a summary table reflecting committee action on the bill.

9. FORESTRY. Passed with amendment S. 435, to extend the boundaries of the Kaniksu National Forest, Idaho, after substituting the text of a similar bill, H. R. 5798, which was passed earlier as reported from committee. H. R. 5798 was tabled. pp. 10740-1

10. RECREATION. The Interior and Insular Affairs Committee reported with amendment H. R. 89, to authorize establishment of the Tocks Island National Recreation Area, Pa. and N. J. (H. Rept. 360). p. 10795

11. HOUSING. Rep. Ryan commended and inserted "Statement on Federal Housing Bill of 1965 From Strycker's Bay Neighborhood Council, New York." p. 10768

12. FOREIGN AID. The Rules Committee reported a resolution for consideration of H. R. 7750, the foreign aid authorization bill. pp. 10741-2

89TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 364

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1966

MAY 20, 1965.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WHITTEN, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 8370]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Agriculture and related agencies for the fiscal year 1966. The bill covers estimates contained in the 1966 budget, pages 99–205, 907–910, and 940–941, and budget amendments contained in House Document 154, dated April 26, 1965.

The bill provides funds for the general operations of the Department, including various activities such as research, disease and pest control, extension, soil and water conservation, marketing services, meat and poultry inspection, agricultural credit, crop insurance, the Commodity Credit Corporation, Public Law 480 and other foreign assistance programs.

The bill includes total appropriations of $5,692,537,000 for these purposes in the coming year, a reduction of $122,597,000 in the budget requests which total $5,815,134,000. The amount proposed is $1,134,511,200 less than appropriated for fiscal year 1965.

A summary of the budget requests and amounts recommended by the committee follows. A detailed breakdown by individual appropriations appears at the end of the report.

	Budget request	Recommended in bill	Reduction
Title I—General activities	$1,687,486,000	$1,608,398,000	−$79,088,000
Title II—Credit agencies	79,626,000	60,367,000	−19,259,000
Title III—Corporations (including Public Law 480 and other assistance programs)	4,046,522,000	4,023,022,000	−23,500,000
Title IV—Related agencies	1,500,000	750,000	−750,000
Total	5,815,134,000	5,692,537,000	−122,597,000

Budgetary and Manpower Considerations

For the second straight year, the Department of Agriculture received a major budget reduction. While total new obligational authority proposed for the entire Federal establishment is approximately the same for 1966 as for 1965, the 1966 budget request for the Department is more than $1 billion less than appropriated for fiscal year 1965.

In view of this extremely tight Executive Budget, further reductions by the Committee have been nominal. The principal Committee reductions have been in the administrative expenses of the Agricultural Stabilization and Conservation Service, the barter program, the Farmers Home Administration, and food stamp program. It was felt that some of the increases requested could be foregone and further cuts could be made in the interest of closer fiscal administration.

One of the factors considered by the Committee in preparation of the accompanying bill was the large number of employees already employed by the Department and the need to reduce to a minimum further expansion of its payrolls, particularly in Washington. As of the end of February, 1965, the paid employment in Washington and in the field was 96,589, including 2250 temporary and 16,985 part-time and intermittent employees. These figures include 24,469 for the Forest Service, which is not provided for in this bill.

The increases recommended by the Committee for the coming fiscal year in certain of the regular continuing programs of the Department will permit an increase of 300 man-years for increased meat and poultry inspection, 200 man-years to meet the additional workload of new and expanded programs of the Farmers Home Administration, and 60 man-years to enable the Federal Crop Insurance program to expand into 100 additional counties next year, as contemplated by basic law. Thus of 1,006 additional man-years requested, the Committee has approved a net of only 539. These three major increases, plus small increases for certain other programs, are partially offset by proposed personnel decreases in several agencies. For example, through improved efficiency, the Agricultural Stabilization and Conservation Service expects to reduce its personnel by 191 man-years next year. None of the manpower increases allowed in this bill should require any expansion of the total number of employees in Washington beyond the total provided for fiscal year 1965.

Cost-Price Squeeze

Since World War II, the economic position of the agricultural producer had declined steadily. While the Gross National Product (GNP) of the Nation has increased from $214 billion in 1945 to $622

billion in 1964, while annual per capita non-farm income has increased from $1,164 to $2,181 during this period, while average gross hourly earnings for factory workers have gone up from $1.02 to $2.54, and while the cost of food has gone down from 22.7 to 18 percent of consumer income (compared to 50 percent or more in much of the rest of the world), the farmer's share of the consumer food dollar has declined from 52 to 37 cents, and his return on labor, management and investment has decreased from 21.2 percent to 8.2 percent.

Many factors have contributed to this constantly increasing economic squeeze on the farmer. Numerous freight rate increases on farm products approved by the Interstate Commerce Commission since 1946 have doubled transportation costs. Minimum wage guarantees and bargaining rights have doubled labor costs. Average farm wage rates have increased from 42.7 cents per hour in 1945 to 90.4 cents in 1964. Increased interest on farm debt and increased taxes on land have also contributed significantly to farm expenditures. Farm machinery, motor vehicles, building materials, and other items necessary for farm production have increased by 100 to 150 percent.

Prices received by farmers for certain major food crops since 1945 are indicated by the following figures, using 1910–14 as 100:

	Food grains	Feed grains	Fruits	Vegetables	Meat animals	Poultry and eggs	Dairy products
1945	172	168	228	240	207	198	229
1950	224	198	194	211	340	186	249
1955	228	187	202	223	246	191	247
1960	203	150	242	223	296	160	259
1964	190	164	295	245	269	142	256
Percent increase	+10	−2	+29	+2	+30	−28	+12

A comparison of prices received by farmers since 1945 and various items of production cost, using 1910–14 as 100, is as follows:

	Interest	Taxes	Wages	Living and production	Total	Prices received	Parity ratio
1945	75	192	359	179	190	207	109
1950	89	320	425	246	256	258	101
1955	136	403	516	259	276	232	84
1960	220	578	631	275	300	238	80
1964	332	729	693	282	313	236	75
Percent increase	+343	+280	+93	+58	+65	+14	−31

Increased Farm Investment Necessary

It will be noted that, in addition to increased wages and other expanded production costs, there has been a significant increase in interest on farm debt and taxes on farm land. This is due to several factors.

First, the average investment required to provide a minimum living on the farm has increased nearly fivefold, from $11,487 in 1945 to $54,791 today. Commercial farms must have modern equipment, pesticides, fertilizers and seed to meet present day competition. They must also have sufficient land to justify the use of machinery and equipment and to produce a sufficient quantity of output to provide a reasonable income at reduced margins of profit. Modern production

requirements have increased farm debt from $7.6 billion in 1945 to $33 billion in 1964.

Second, the cost of farmland continues to increase due to urban and industrial expansion, speculative investment by non-farm purchasers, and the increase in size of farms as mentioned above. It should be noted however, that current values of such land are not based on earnings from agricultural production, since net farm income as related to investment has gone down from 21.2 percent in 1945 to 8.2 percent in 1964.

The following comparisons summarize the change since 1945 in the various factors discussed above.

	Average investment	Average farm size	Farmland values	Farm debt	Net income as percent of investment
		Acres	*Index 1957–59=100*	*Billions*	*Percent*
1945	$11,487	195	46	$7.6	21.2
1950	17,236	215	65	10.8	15.2
1955	25,803	242	85	15.5	11.0
1960	42,300	303	111	23.7	8.1
1964	54,791	333	131	33.0	8.2
Percent increase	+377	+71	+185	+334	−61.3

COMMERCIAL FARMER ESSENTIAL TO CONSUMER

There are some who suggest from time-to-time that price supports and other farm programs should be abandoned and that the large commercial farmers should be left to compete on world markets with foreign low-cost agriculture.

A careful review of the facts outlined above reveals the fallacy of such proposals. A full understanding of the place of agriculture in the National economy makes it apparent that commercial producers cannot sell at low world price levels commodities which are produced at much higher American levels of cost. Such producers cannot buy at retail prices and sell at wholesale prices and stay in business very long. The real losers would be the consumers they supply and labor and industry for which agriculture is one of the biggest markets. They must have some form of minimum price guarantee, which is adjusted to the level of production costs they must meet.

Department of Agriculture reports indicate that about 27 percent of the Nation's producers (those with annual gross sales of $10,000 or more) account for some 80 percent of the U.S. agricultural production. These nearly 1 million commercial farmers are the ones to which the consumers must look for the dependable and plentiful supply of high quality and low cost food and fibre.

Despite the fact that surplus quantities of certain commodities have been produced in recent years because of the efficiency of agricultural production, it is important to note that supplies on hand are sufficient to meet domestic needs for only a short period of time in the event of a National emergency. For example, the 900 million bushels of wheat now on hand would meet domestic needs and dollar exports for about one year or, if necessary, they would meet domestic needs alone for nearly two years if exports were discontinued. The 1.2

billion bushels of corn on hand represent only a 3 to 4 months' supply for domestic use and export. The 13.6 million bales of cotton in stock would meet the normal annual domestic demand of 9 million bales, plus one year's export supply. For dairy products, the 5.2 billion pounds is only 5 percent of a full year's supply.

SMALLER FARMS MUST BE PRESERVED

Those who advocate the abandonment of farm price supports, also suggest that the 2.5 million small farmers (those with annual gross income of less than $10,000) should be guaranteed a minimum income under some form of welfare program until such time as they can be retrained and absorbed into other occupations.

Such suggestions are obviously undesirable. The elimination of small family farms as a part of our National existence would seriously increase our social and welfare problems in every urban area in the United States.

Further, with a surplus of labor in most metropolitan centers, the opportunities for small farmers to earn a living in non-farm activities are extremely limited, if not practically non-existent. Retraining of farm people for other lines of work is at best a long-range effort. This offers no solution to the problem in the immediate future, particularly for the large number of farm dwellers who are beyond the age where retraining is feasible.

CONTINUATION OF FARM PROGRAMS NECESSARY

It is apparent, therefore, that the only practical approach to the farm problem is to continue programs which will make it possible for the present 3.5 million farmers to earn a living on the farm. Minimum price supports, adequate short and long term credit, continued research and technical assistance, and other farm programs must be continued if American Agriculture is to maintain its place in the Nation's economy and if the American Consumer is to continue to enjoy the bountiful supply of nutritions, healthful and inexpensive food now available to him. It is interesting to note that three times as many people are engaged in processing and marketing of farm products as in the production of such commodities.

During his appearance before the Committee on March 19, 1965, the Secretary of Agriculture summarized the present agricultural situation as follows:

> It is time to set the record straight, and here are basic facts: The consumer should know that since 1950 the cost of medical care has jumped 63 percent. Our consumers are paying 52 percent more for professional services than they did in 1950, and 38 percent more for transportation. Yet, farm prices—the prices that farmers receive from what they sell—are lower now than in 1950. While Americans are paying 63 percent more for medical care, 52 percent more for professional services, and 38 percent more for transportation, our farmers are receiving 15 percent less for their products than they did 15 years ago.

What if the farmer were charging 63, or 52, or even 38 percent more? We would be eating less, and at the same time would be shifting money now being spent for the products of factories and for services into food.

Rather than the consumer-taxpayer subsidizing the farmer, the contrary is true.

* * * * *

Those who want to end commodity programs point out that today many farmers with adequate resources—land, capital, and equipment—enjoy an adequate income, and therefore do not need the income support of farm programs. Yet, fewer than 400,000 farmers earn a parity of income—an income equal to the wages of skilled labor. Over 2.5 million farmers do not even earn the minimum wage.

To me these facts simply mean that farm income is today very inadequate, for only about 1 out of 10 farmers get close to parity of income; most farmers do not even begin to earn this level of income.

Further, if commodity programs were discontinued, the decline in farm income would be so drastic as to pull even the most efficient farmer to below poverty income levels.

The impact would not be felt by farmers alone. The massive industrial complex which stands behind the modern farmer would be hit just as hard, if not harder.

Benefits to General Public

The many programs of the Department of Agriculture benefit all segments of the National economy. The Department conducts as many or more services for the consumer and general public as any other Federal department. Such items as meat and poultry inspection, grading and inspection of other food items, marketing and utilization research, human nutrition and home economics research, school lunch and special milk programs, food stamp and direct distribution programs, and the various foreign assistance programs have direct benefits to consumers, businessmen and the general public. Expenditures for soil and water conservation and related research are an investment in our future natural resources, which benefits the entire Nation rather than farmers alone. Rural electrification and telephone programs benefit all rural consumers as well as farmers. Commodity Credit Corporation price-support expenditures include interest, transportation of commodities, and warehouse storage charges, which do not go to farmers and ranchers.

The following table furnished by the Department of Agriculture indicates that about 61 percent of all funds expended in 1964 were for programs which provided substantial benefits to non-farm people. The comparable figure for 1965 is 67 percent.

Budget expenditures, fiscal years 1964 and estimated 1965

[In millions]

	1964		Estimated, 1965	
Programs which clearly provide benefits to consumers, businessmen, and the general public:				
Programs having foreign relations and defense aspects:				
Sales of surplus agricultural commodities for foreign currencies (title I, Public Law 480)		$1,415		$1,247
Emergency famine relief to friendly peoples (title II, Public Law 480)		228		211
Donations of commodities acquired by CCC		345		217
International Wheat Agreement		126		30
Transfer of bartered materials to supplemental stockpile		38		80
Long-term supply contracts (title IV, Public Law 480)		60		204
Donations of diary products to armed services and other		45		48
Total		2,257		2,037
Food distribution programs:				
Commodities distributed to the needy and others		484		405
Food stamp plan		30		60
School lunch program		181		191
Special milk program		97		103
Total		792		759
REA and FHA repayable loans:				
REA loans		330		187
FHA loans		207		194
Salaries and expenses for above programs		50		53
Total		587		434
Long-range programs for the improvement of agricultural and natural resources:				
Forestry		290		327
Agricultural and forestry research		171		208
Plant and animal disease and pest control		62		71
Soil and water resource protection		201		223
Agricultural conservation program		244		256
Cooperative agricultural extension work		79		85
Meat and poultry inspection		43		50
Marketing assistance for agricultural commodities		29		22
Other, including FCS, FAS, CEA, FCIC, and staff offices		80		110
Total		1,199		1,352
Total	(61%)	4,835	(67%)	4,582
Other programs which are predominantly for stabilization of farm income, but which also benefit others:				
CCC price-support and related programs:				
CCC loan, purchase, export, and related programs		1,238		121
Acreage diversion payments:				
Feed grains		646		883
Wheat		115		34
Price-support payments:				
Feed grains		382		269
Wheat		79		
Cotton				66
Cotton equalization payments		63		483
National Wool Act program		73		32
Total		2,596		1,888
Conservation reserve program		290		197
Sugar Act program		87		103
Salaries and expenses for above programs		89		88
Total	(39%)	3,062	(33%)	2,276
Grand total		7,897		6,858

General Demand for Agricultural Research Findings

The demand for information developed by the research programs of the Department of Agriculture has grown significantly through the years. Such information is being used more and more by non-

farm people in connection with the operation of their homes and properties and the choice of their food and clothing.

Much of the information on these subjects carried throughout the Nation in magazines, newspapers, periodicals, as well as on radio and television, comes from Department of Agriculture bulletins, technical publications and other releases. Many of the new developments in processing, packaging and marketing food products adopted by private organizations come from patents obtained by the Department and made available to all who may be interested.

About 11 million copies of popular research publications are distributed by the Department each year. The agricultural press, with a circulation of 22 million, and the specialized publications of trade organizations and industry regularly carry USDA research reports for their readers.

Industry representatives learn of scientific developments through USDA-sponsored conferences and meetings, and through research reports and consultation with scientists. For example, about 5,000 visitors obtain technical information at Agricultural Research Service utilization laboratories each year.

Like farmers, consumers also turn to Department publications for research information. To meet consumer demands for research knowledge, the Department makes information available to press associations, newspapers, and magazines, and free-lance writers. Research reports also go to women's-page and food editors weekly, and the Department works closely with consumer organizations. Consumers are also reached by radio and television, motion pictures, and exhibits.

Despite this popular acceptance of USDA research findings and the wide use of such information, the general public frequently fails to understand and support the agricultural programs of the Department. The consumers fail to appreciate the reasons why they have the finest and lowest-cost food of any nation on earth.

The record of the Department in this field is even more remarkable when it is realized what a small portion of Federal research funds are used for agricultural research. In 1935—just 30 years ago—approximately one-half of the Federal research budget went to the Department of Agriculture. In 1965, agricultural research represents only 1.5 percent of total Federal research expenditures.

Competitive Export Sales Necessary

For the past 15 years, the Committee has done everything possible to encourage and require exportation of U.S. agricultural commodities and has continued to insist that such commodities be offered continuously in world markets on a competitive basis. During those years when U.S. commodities have been kept competitive, export sales have increased substantially and the pressure of surpluses has been removed from the domestic markets.

Despite unlimited authority to sell competitively in world markets, the Departments failure to sell competitively in the early 1950's caused CCC commodity inventories to increase from $1 billion as of June 30, 1952, to $5 billion as of June 30, 1955. During this period, CCC holdings of cotton increased from $418,000 to $1.2 billion.

In 1955, at the insistence of this committee, the first cotton was offered for sale abroad for dollars on a competitive basis and 1 million

bales were sold in a few weeks. Subsequently 7 million bales were sold soon after offered. Then in 1956, despite this most satisfactory experience, the Department took steps to again hold U.S. cotton off world markets. This caused Congress to enact the Export Sales Act of 1956 requiring sales for dollars to regain and retain the U.S. historical share of world markets.

Notwithstanding this legislation, the Department in 1958 again refused to offer cotton at competitive prices, which the Comptroller General ruled to be a violation of the 1956 Export Sales Act. Cotton exports again dropped—from 7.6 million bales in 1956 to 2.8 million bales in 1958. This action cost the CCC and the American taxpayers hundreds of millions of dollars and did great damage to U.S. cotton producers.

In 1959, under increased pressure from Congress, competitive sales were reinstituted and exports again increased—to a level of 6.5 million bales in 1959. Despite the outstanding success of the competitive sales program each time it has been used, however, the Department continues to favor the export "payment-in-kind" approach, which has not been effective and which has been extremely costly to the Government.

The history of our export programs clearly demonstrates that the "payment-in-kind" program is not a satisfactory substitute for competitive sales abroad. Like most exporting nations of the world, we should sell what we produce and don't need for what it will bring in the world markets. Past experience has shown that, when buyers have the opportunity to support world prices by their bids, markets throughout the world are strengthened and commodities flow freely through the normal channels of trade. Loss of markets to our competitors has proved the dangers of an artificial price umbrella over world markets fixed by a Governmental agency.

The Export Sales Act of 1956 referred to above also requires the Secretary of Agriculture to establish an export goal at the beginning of each year and, in the opinion of the Committee, requires him to announce such figure to the public. No such goals have been announced in recent years, despite the provisions of the law. This has had a depressing effect on U.S. exports. While the historical U.S. share of the world cotton market is around 6 million bales annually and while the law requires the export of this amount, cotton exports dropped to 3.3 million bales in 1962, 5.66 million bales in 1963 and 4.4 million bales in 1964. If the U.S. had maintained its fair share of world markets for the last three years supplies on hand would be almost five million bales less.

In view of these factors, the Committee insists that the Department (1) return to offering commodities for sale on a competitive bid basis, (2) make "payment-in-kind" payments from commodity stocks in lieu of cash payments, and (3) conform to the Export Sales Act of 1956 by announcing to the world the quantity of cotton the United States will sell each year on world markets. The same policy would be good for other commodities. These exports should be from private stocks and handled through private channels where possible and from Government stocks where necessary. The Commodity Credit Corporation should maintain the right to determine when and how much to offer at various times during the year to reach the total goal. The

Committee is convinced that only in this way can American agriculture and the cotton industry be protected and enabled to retain its export business.

During October 1956, the Committee discussed these matters with numerous business representatives and importers in Europe. The opinions and information gathered fully supported the position taken through the years by the Committee on competitive sales and advance announcement of U.S. offerings. Excerpts from the report of this study made in 1956 are quoted below:

LOSS OF UNITED STATES MARKETS IN EUROPE

We found a general concern among these people about the loss of United States markets in Europe since World War II. The men from Belgium pointed out that American exports of cotton to their country have decreased from 60 percent of total imports before the war to 3 percent at the present time. Others pointed out a similar situation in most countries of Europe. We found that the United States products are preferred at comparable or slightly higher prices because of better quality and more dependable deliveries, but that in recent years, United States prices have been held too high to compete in world markets despite the natural preference for United States products.

According to our information, the loss of United States markets in Europe is due to: (1) Refusal by the United States until recently to sell competitively; (2) the improved transportation and communications with all parts of the world since the last war, making trade with the Near East, Africa, and South America easier; and (3) the increased quantity and improved quality of products from other countries.

NEED FOR UNITED STATES TO REENTER WORLD MARKETS

In all cases, the business representatives contacted were realistic and practical and very adept at presenting their own points of view. At the same time, we found them fully aware of the United States problems and pleased with United States efforts to get back into world trade on a competitive basis. It was generally agreed that world trade will never return to normal as long as large amounts of United States surpluses are hanging over the market. It was pointed out that the general practice in recent years has been to buy in small amounts and to keep consumer inventories at a minimum. This has had the undesirable effect of putting importers and fabricators on a hand-to-mouth basis of operation. Normal long-range purchasing practices have been virtually discontinued.

During these meetings, it was found that foreign traders in cotton are most anxious that the United States give the world assurances that it will continue to produce and offer in world markets not less than 5 to 5½ million bales annually. They want to know that the United States will be a

firm source of supply. At present, they are afraid this country is cutting acreage back so far it won't have the cotton to sell. They are especially fearful that the new soil-bank plan will lead to further cuts in United States acreage. If our Government will recognize this, it will mean additional cotton acreage for United States farmers. This is highly essential to United States farmers and to the world cotton trade as well.

We were told that the World has a real interest in American production for export because American varieties are much more consistent and the World is glad to deal with American exporters and American people. They know the average American export firm is solvent, that if commitments are made, delivery will be made. On the other hand, all world traders are skeptical of having to import supplies from other countries, because those engaged in export trade from other countries are not always solvent and dependable, and the quality of the product may vary greatly

SHOULD ANNOUNCE ANNUAL EXPORT QUOTAS

It was also found that trade groups feel that the United States should accept the best competitive bids at whatever price received. They feel that the Secretary of Agriculture should announce at the beginning of each year the approximate quantity of each commodity which the United States plans to offer during the year for export at competitive prices. They pointed out that the two factors which every dealer must know are quantity available and potential demand.

In recent years, the quantity element has been very uncertain in all world markets because of United States policies. They feel that annual announcements of United States exports would provide considerable stability to world markets. They also feel that such plan would result in higher returns to the United States for commodities sold than would efforts to control prices directly.

It is our belief that the Department of Agriculture should announce that it intends to produce and offer in world markets on a competitive basis from 5 to 5½ or 6 million bales of cotton annually. Under this plan, purchasers would regulate the price through the amount of their bids and the United States would avoid much international criticism. This action might also result in higher returns for United States cotton. We are of the opinion, further, that this same approach should be considered with regard to other farm commodities.

SALES PROGRAM MUST BE STRENGTHENED

In view of the factors outlined above, in 1956, this Committee created a special position of sales manager and directed the Department to set up a sales organization within CCC to undertake a more aggressive sales program. The Committee was convinced that this $14.5 billion corporation could not continue to purchase increasing

quantities of commodities each year under its price support operation, unless more attention was given to the sale of commodities on hand.

Pursuant to this action, a sales organization was established within the CCC and a sales manager was appointed. It was never permitted to operate freely, however, and its potential was never realized. Further, several years ago it was transferred to the Foreign Agricultural Service where it was brought under those who deal with international pressures. Its effectiveness has been extremely limited, due to numerous layers of supervision, and because of certain international policies which frequently ignore the interests of U.S. agricultural producers.

In the opinion of the Members of the Committee it is absolutely imperative that U.S. commodities be kept on world markets at competitive prices. American agriculture is dependent on the export market for an outlet for the production from one out of every four acres of U.S. cropland. Further, agricultural exports account for 20 to 25 percent of our foreign exchange earnings each year, a significant factor in relation to our present balance-of-payments deficit.

The Committee recommends, therefore, that the Secretary reorganize and strengthen the Department's sales program by (1) bringing in additional directors for the Commodity Credit Corporation who have had prior business and industrial experience, and (2) relocating the Sales Manager in the Departmental structure to give him more independence of action and less exposure to restrictive international influences.

The Great Pesticide Debate

The Committee took particular note of the increasingly serious pesticide problem in its report last year. It added $250,000 to the budget to enable the Secretary of Agriculture to collaborate with the Department of Health, Education, and Welfare and other agencies in working out necessary rules and regulations to protect our sources of food and fibre—for which pesticides are an essential tool of production—while at the same time protecting the public health. Also an additional $27 million was provided last year to undertake a major research program on pesticides, including the study of biological and other alternative means of insect control.

Further, believing that we should not permit anyone or any group to burden our source of food and fibre with the unknown, and believing that we could not afford to force the homeowner, home-gardener, the florist, and those engaged in agriculture to prove that their tools and work materials do not cause that for which even the best researchers, physicians, and scientists do not know the cause, the Committee had an objective study made by its staff of investigators on the effects, uses, control and research of agricultural pesticides.

The report on this special staff study, which is encluded in Part I of the hearings on the 1966 Agricultural budget, does much to put this entire question in the proper perspective and to counterbalance many of the fears and misconceptions concerning pesticides. The report is based on interviews with over 185 outstanding scientists and 23 physicians, including officials of the American Medical Association, and university medical school faculties.

The Committee is pleased to note that progress is being made in efforts to coordinate the programs of all agencies involved and to develope a realistic and practical approach to the establishment of levels of pesticide residues which can be safely observed without adverse affect on public health. A press release of the Department of Health, Education and Welfare (H.E.W.–E65), dated April 9, 1965, gives definite indication that this difficult problem is being resolved in a satisfactory manner. The essence of the HEW press release is as follows:

> Pesticide residues are detectable in the American food supply by today's highly sensitive analytical methods, but the amounts of such residues are insignificant from a health standpoint, according to findings announced today by the Food and Drug Administration, U.S. Department of Health, Education, and Welfare.
>
> FDA made public the results of the latest of its continuing "total diet" studies undertaken to discover the quantity of pesticides in all kinds of food and drink consumed daily. Through the tests FDA is able to evaluate broadly the results of all efforts made to keep pesticide residues below legal tolerance levels. The studies also provide clues as to which pesticides may be getting into the food supply in excessive amounts.
>
> Pesticide levels found in the test samples were generally less than 1 percent of the safe legal tolerance. Many of the most commonly used pesticides were not found at all.

CONTINGENCY RESEARCH FUNDS

As in previous years, numerous members of Congress, interested individuals and representatives of various organizations appeared before the Committee in support of funds in the 1966 Budget as well as to request additional research on important and meritorious projects not included therein. While the Committee has not been able to fund all of the additional special requests, it has again included $1,000,000 for the contingency research fund to meet as many of these needs as the Administrator of the Agricultural Research Service may approve. The Administrator is requested to review the Committee hearings and give consideration to all such requests in final allocation of this fund.

There is an urgent need for additional mechanization research in California as the result of the discontinuance of the Bracero program. The problem of the date industry, which must depend on imported labor to climb to the tops of the palm trees for pollination and harvesting purposes, is an example. Unless these essential processes can be mechanized, the future of the American date industry is threatened. This matter deserves special attention and should have a high priority in use of the contingency fund.

Another problem which merits special consideration is the serious threat to our poultry and turkey producers from the Bluecomb

disease. Losses to the poultry industry are estimated at $10 million annually.

A new threat to the corn producing areas of the Nation known as "maize dwarf mosaic" also must be given careful consideration in establishing priorities under this research fund. According to testimony presented to the Committee, this disease has caused crop losses ranging from 5 to 70 percent in Illinois. Kentucky, Indiana, Tennessee, Missouri and Arkansas have also reported serious infestations. Officials in Ohio estimated that corn producers in that State alone lost over $5.8 million in 1964 due to the disease.

Overcrowding at the Barley Laboratory at Madison, Wisconsin, has reached the point where action should be taken soon to expand these facilities. The Administrator should use whatever contingency funds may be necessary to prepare final plans for such expansion, and for inclusion of construction funds in the next annual budget for the Department.

The Committee takes great pride in the tremendous growth of interest in and attention to soil and water conservation and restoration which has taken place throughout the Nation in the past decade. To meet the need for basic data and improved techniques, in 1958 Congress established a National Sedimentation Laboratory to study problems of sedimentation associated with erosion of agricultural lands and stream valley systems. In view of the continuing increase in soil and water conservation and watershed projects in all areas of the country, attention should be given to further expansion of this national research station. The present laboratory is an excellent one with a competent staff. However, present facilities are inadequate to provide the laboratory space and special equipment needed to meet the highly diversified problems of the areas of various soil types throughout the country.

Also some consideration should be given to a bee breeding center. The dependence on this insect for an important part in crop pollination makes it necessary that the supply of such insects be maintained.

Title I—General Activities

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service was established by the Secretary of Agriculture on November 2, 1953, under the authority of the Reorganization Act of 1949 (5 U.S.C. 133z—15), the Reorganization Plan No. 2 of 1953, and other authorities. It conducts farm, utilization, nutrition, marketing and consumer use research, plant and animal disease and pest control and eradication activities. The Administrator of this Service is also responsible for the coordination of all research of the Department. The Service also carries out emergency programs, when necessary, for the control and eradication of animal diseases, such as foot-and-mouth disease, and for the control of emergency outbreaks of insects and diseases.

The Service directs research beneficial to the United States which can be advantageously conducted in foreign countries through agreements with foreign research institutions and universities. This program is carried out under the authority of sections 104 (a) and (k)

of Public Law 480, the Agricultural Trade Development and Assistance Act of 1945, as amended.

Research.—The bill includes $114,394,000 for the next fiscal year for research, a decrease of $8,205,000 under 1965 and a reduction of $2,498,000 in the budget estimate. The reduction below 1965 and 1966 recommendation is computed as follows:

1965 appropriation	$122,599,000
Deduct: Net reduction in research	−625,000
Add: Net increase in construction	5,245,000
Deduct: Increase in transfer, section 32	−12,825,000
Net reduction under 1965	−8,205,000
1966 appropriation recommended	114,394,000

The amount proposed for the various research programs of this agency includes increases of $1,875,000, which are more than offset by a decrease of $2,500,000 due to discontinuance of lower priority lines of research at certain locations. The increases allowed include $855,000 for staffing and operating new and expanded research laboratories, $575,000 for health-related tobacco research, $345,000 for research on molds and their control, and $100,000 to initiate animal research at Clay Center, Nebraska.

The net increase for construction of facilities includes $6,394,000 for pesticide research laboratories for which planning funds were approved in the 1965 bill at College Station, Texas; Gainesville, Florida; and Stoneville, Mississippi. It also includes $2,760,000 for construction of six cotton research laboratories, for which planning funds were provided last year. In addition, construction funds are included for a water pollution laboratory at Durant, Oklahoma, $450,000; a poultry research laboratory in Delaware, $450,000; and alterations and improvements at the Beltsville Research Center, $339,000. The above increases are partially offset by the deduction of nonrecurring construction funds provided for laboratories authorized in the appropriation bill for 1965.

Section 103(a) of the Agricultural Act of 1964 (Public Law 88–297) included a directive to the Secretary of Agriculture to undertake a special cotton research program designed to reduce the cost of producing upland cotton in the United States to make it more competitive with synthetics and low-cost foreign production. Acting under this authority, a broad research program was developed and proposed by the Department to cover the various production factors involved and to provide certain additional research facilities needed for the new and expanded work.

On the basis of such a program, an additional $1,400,000 was appropriated for fiscal year 1965, including the sum of $240,000 for the planning of six new laboratories. It is understood that plans will be completed for all six proposed facilities during the next fiscal year. However, the 1966 budget included funds for construction of only two—a cotton disease laboratory at College Station, Texas, and a pilot ginning laboratory at Mesilla Park, New Mexico. Failure to provide funds for all facilities would be considered as breaking faith with the Congress on this program. Accordingly, the Committee has included funds for all six facilities as originally proposed by the Executive Branch and as approved last year by Congress.

The amount recommended under this heading will permit present soybean production research to be carried forward on a regular basis.

It also provides for the continuation of research on clothing and housing and wholesaling and retailing.

Plant and animal disease and pest control.—For this purpose, the Committee recommends an appropriation for fiscal year 1966 of $71,119,000. This is a decrease of $50,200 below 1965 and is a reduction of $2,041,000 in the budget request.

The amount approved includes the following increases: $500,000 for control of the cereal leaf beetle; $200,000 for plant and animal quarantine inspection at ports of entry; $520,000 for the eradication of hog cholera; and $250,000 to conduct a field survey in the Republic of Mexico to determine the extent of the existence of screwworms and their effect on United States programs. These are offset by nonrecurring decreases of $1,520,000.

The bill as recommended includes $2,806,200 to maintain a barrier zone to prevent screwworms from migrating from Mexico into Texas, New Mexico, Arizona and adjacent States. The barrier zone became fully operable in March, 1964. During calendar year 1964, there were a total of only 240 cases of screwworms in screwworm-freed areas of the United States, all of which occurred in the States of Texas and New Mexico. There have been no instances of continued or spreading infestations. However, the threat of reinfestation is indicated by the fact that there were a total of 4564 cases in Northern Mexico during this same period.

The recommended appropriation also includes $2,500,000 for the continuation of the fire ant eradication program. This serious pest makes farm and pasture lands unusable in certain areas of the country due to numerous mounds ranging up to 24 inches high, which damage farm equipment and interfere with grazing of cattle. Further, there is a public health hazard involved due to the painful stings which cause severe lesions on the body of persons attacked. There have even been a few deaths reported.

A limited survey in 1957 placed the number of acres infested by fire ants at approximately 24 million. Later surveys showed an estimated 33 million acres infested as of March, 1965. Unless control and eradication measures are continued, the spread of this pest to additional areas of the country can be expected.

The Committee is disappointed that local agencies and individuals in some areas have not cooperated more fully in the fire ant eradication program. Such cooperation is essential to successful control of this pest. In approving $2,500,000 for the coming year, the Committee expects the fullest possible cooperation from such local interests in the future, perhaps through the State governments in the areas affected.

The threat to the Nation's crops, forests and ornamentals from invasion by foreign plant pests and diseases continues to increase. During 1964, approximately 178 million travelers entered the United States, an increase of 3 million over 1963. A comparison of travelers baggage, carriers and interceptions for 1964 and 1954 is as follows:

Volume (excluding Canadian traffic)	1964	1954
People entering U.S.A. (millions)	178	120
Baggage (millions of pieces)	32	8
Carriers—all types (millions)	28	15
Contaminated interceptions (thousands)	450	180

The growing dangers inherent in modern modes of transportation and the ever-increasing volume of travel and commerce between all parts of the world have placed an increased responsibility and workload on those responsible for enforcement of quarantine regulations through inspections at ports of entry. Funds expended for plant and animal quarantine inspection have increased from $3.9 million in 1954 to $10.5 in 1965.

Several years ago the Committee called on the Department to work out arrangements with the international carriers whereby travelers destined for the United States would be given advance information on foods and other materials which are prohibited from entering the United States. While some steps have been taken in this direction, the Committee feels that present practices are insufficient. Notice on taking passage should be such as to justify automatic fines for any person found to have such materials in his or her possession on arrival.

Accordingly, the Secretary is requested to give effective notice to all carriers as to prohibited materials for insect control purposes, with the understanding that the carriers will be held responsible to make certain that travelers do not arrive at U.S. ports with such materials in their possession. Further, consideration should be given to charging back the cost of such inspection by the Government to those carriers who fail to give the required notice to travelers on their conveyances, where such travelers are found to have prohibited materials in their possession.

Special foreign currency program.—An appropriation of $2,000,000 is proposed for the coming fiscal year for the purchase of foreign currencies to finance overseas research designed to benefit American Agriculture and to develop and expand foreign markets for U.S. agricultural commodities. In view of a balance of around $9 million of prior year funds available for this purpose, the amount approved for the coming year has been held to the 1965 level.

COOPERATIVE STATE RESEARCH SERVICE

The Cooperative State Research Service was established by Secretary's Memorandum No. 1462 dated July 19, 1961, and Supplement 1, dated August 30, 1961, under Reorganization Plan No. 2 of 1953. The service carries out (1) administration of the Agricultural Experiment Stations Act of August 11, 1955, (Hatch Act of 1887, as amended) (2) payments under Section 204(b) of the Agricultural Marketing Act of 1946 to State agricultural experiment stations, (3) grants to nonprofit institutions for support of basic scientific research under the act approved September 6, 1958, (4) grants for cooperative forestry research under the act approved October 10, 1962, and grants for facilities under the act of July 22, 1963.

An appropriation of $51,695,000 is recommended for this program for fiscal year 1966. This is an increase of $1,698,000 over 1965 and a decrease of $672,000 in the budget estimate. The increases include $1,940,000 for payments to States under the Hatch Act and $1,000,000 for additional cooperative forestry research under the McIntire-Stennis program. These increases are partially offset by a budgeted decrease of $1,242,000 in funds for grants to States for construction, alteration and improvements to research facilities.

In addition to amounts recommended above, $400,000 is proposed to be transferred from Section 32 funds for grants for basic scientific research, as authorized by law.

EXTENSION SERVICE

Cooperative agricultural extension work was established by the act of May 8, 1914, as amended by the act of June 26, 1953 and the act of August 11, 1955. The legislation authorizes the Department of Agriculture to give, through the land-grant colleges, instruction and practical demonstrations in agriculture and home economics and related subjects and to encourage the application of such information by means of demonstrations, publications, and otherwise to persons not attending or resident in the colleges. Extension educational work is also authorized under the Agricultural Marketing Act of 1946.

State and county extension work is financed from Federal, State, county, and local sources. These funds are used within the States for the employment of county agents, home demonstration agents, 4–H Club agents, State specialists, and others who conduct the joint educational programs adopted to local problems and conditions.

The Federal Extension Service provides for leadership, counsel and assistance to the 50 States and Puerto Rico. This staff, which is located primarily in Washington, serves as liaison between the Department of Agriculture and the States, provides leadership and assistance to the States in the conduct of the program, and provides leadership in and coordination of the educational phases of all programs under the jurisdiction of the Department.

The Committee recommends the full budget estimate of $86,335,000 for fiscal year 1966 for the various programs of this agency. This is an increase of $1,228,000 over fiscal year 1965, of which $881,000 is available for payments to States under the Smith-Lever Act, and $347,000 is required for retirement and employees' compensation costs for the additional extension agents covered by the increased payments to States.

FARMER COOPERATIVE SERVICE

The Farmer Cooperative Service was established following the enactment of the Farm Credit Act of 1953 (Public Law 202, Aug. 6, 1953), which transferred the research and technical assistance work for farmers' marketing, purchasing, and service cooperatives, under the Cooperative Marketing Act of 1926 from the Farm Credit Administration to the Secretary of Agriculture.

The Service conducts research, advisory, and educational work with cooperatives on problems of organization, financing, management policies, merchandising, costs, efficiency, and membership to help farmers who are members of such organizations improve the operations of their business. It cooperates with the Extension Service, land-grant colleges, banks for cooperatives, State departments of agriculture, and other agencies to bring about better understanding and application of sound cooperative principles and practices. It also advises other Federal agencies on problems relating to agricultural cooperatives.

The fiscal year 1965 appropriation level of $1,141,000 is again proposed for the next fiscal year. This is a decrease of $100,000 in

the budget request. The agency is to be commended for the fine program it has been conducting. The Committee feels that the present level of funds will permit the continuation of this program at an adequate level.

SOIL CONSERVATION SERVICE

The Soil Conservation Service was established by the act of April 27, 1935. It assists soil conservation districts and other cooperators, watershed groups, and Federal and State agencies having related responsibilities in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by floods and sedimentation. Its major programs are as follows:

Conservation operations: The Service provides technical help to farmers and ranchers in the 50 States, Puerto Rico, and the Virgin Islands in carrying out locally adapted soil and water conservation programs.

Watershed planning: The Service has general responsibility for making investigations and surveys of proposed watershed projects in response to request from sponsoring local organizations and for assistance in the development of watershed work plans.

Watershed protection: The Service has general responsibility for administration of the watershed protection program of the Department, established by Public Law 566, 83d Congress, and the development of its guiding principles and procedures.

Flood prevention: The Service has general responsibility for administration of the flood prevention program, and the development of the Department's guiding principles and procedures. The program is conducted in the 11 major watersheds authorized by the Flood Control Act of 1944.

Great Plains conservation: The Service has general responsibility for administration of the Great Plains conservation program, authorized by Public Law 1021, 84th Congress. This program provides for long-term cost sharing under contracts with farmers and ranchers in designated counties of the 10 Great Plains States.

Resource conservation and development activities: The Service has general responsibility under provisions of section 102, title I of the Food and Agriculture Act of 1962, for developing overall work plans for resource conservation and development projects in cooperation with local sponsors; to help develop local programs of land conservation and utilization; to assist local groups and individuals in carrying out such plans and programs; to conduct surveys and investigations relating to the conditions and factors affecting such work on private lands; and to make loans to project sponsors for conservation and development purposes and to individual operators for establishing soil and water conservation practices.

Conservation operations.—An appropriation of $105,373,000 is recommended for the coming fiscal year for technical assistance to soil conservation districts, communities and other cooperators, and for other related activities under this heading. The amount proposed is an increase of $1,140,000 over 1965 and is $1,270,000 over the budget request.

The sum recommended includes an additional $770,000 to provide technical assistance to 25 new districts expected to be organized during the next fiscal year.

Soil conservation assistance is required by an increasing number of soil conservation districts each year and some financial provision must be made to service new districts as they are organized. Since 1962 the number of districts has increased as follows:

June 30, 1962	2,929
June 30, 1963	2,942
June 30, 1964	2,971
June 30, 1965 (est.)	3,000
June 30, 1966 (est.)	3,025

The proposed appropriation also includes a restoration of $500,000 to partially offset the personnel reduction necessitated by partial absorption of increases in salary costs and other operating expenses. The budgeted amount would have resulted in a decrease of 140 man years of technical services to existing districts in the coming year. The Committee action will restore half of this proposed reduction. Considerable testimony was presented to the Committee as to the need for an increase in assistance to present districts rather than a decrease as proposed by the budget. As of June 30, 1964, only 33 percent of the operating units in soil conservation districts had received planning with technical assistance through the Soil Conservation Service. It is estimated that the soil conservation and watershed needs of the country will be a continuous problem, with increasing population and expanding water needs of the future. It is to be noted that we are losing a million acres a year now to urbanization, highways and similar uses.

The 1966 budget included a statement indicating that changes in the law would be proposed at a later date to establish a revolving fund and charge back a portion of the technical assistance costs involved in installation of practices. This proposed change in the basic law under which this program operates has not been enacted into law. The Committee is therefore recommending the full appropriation needed to carry on this program under present legislation.

The most serious threat to the future of the soil and water conservation programs of this agency is the budget proposal to reduce the Agricultural Conservation Program by $100 million for next year If this reduction were adopted, funds transferred to the Soil Conservation Service for technical assistance in the installation of ACP practices would be reduced by about $3.5 million, 530 soil conservation technicians would be eliminated, and over one-third of the conservation work on the watershed projects would be eliminated or substantially curtailed. The Committee recommends the restoration of the full $220 million program announcement for the 1966 ACP program, which will prevent these serious reductions in the Soil Conservation Service and the Nation's soil and water conservation programs.

Watershed programs.—The watershed improvement programs of the Department of Agriculture were initiated by the authorization of planning and works of improvement on the original 11 major watersheds covered by the Flood Control Act of 1944. In 1953, this Committee provided $5,000,000 in the 1954 Appropriation Act, without a prior budget estimate, to authorize 62 small "pilot" watershed projects to promote national interest in small upstream watershed control. These pilot projects were a tremendous success. The following year,

Congress enacted Public Law 566, 83rd Congress, which placed this program on a permanent basis. Also, under authority of Section 8 of this same Act (as amended) loans to local organizations were authorized to help defray a portion of the local share of the cost of watershed protection and flood prevention projects. These programs are now financed through two appropriations included in this bill for P.L. 566 projects designated as "Watershed Planning" and "Watershed Protection", and through a separate appropriation, "Flood Prevention", which covers the 11 original major watersheds.

For the watershed planning appropriation, the Committee recommends $5,721,000 for the coming year. This is the full budget estimate and is a continuation of the program level provided for fiscal year 1965. As of June 30, 1964 a total of 2137 applications for planning assistance had been received. Of the 1877 considered suitable for planning, 1002 had been approved for planning, plans had been completed on 617, and 875 remained to be planned.

An appropriation of $64,171,000 is proposed for the watershed protection program for the next fiscal year. This is an increase of $3,151,000 over 1965 for river basin surveys and works of improvement on Public Law 566 projects. The decrease of $3,000,000 will continue the loan program at the 1965 level of $4,000,000. The following table indicates the status of watershed projects approved for construction:

Stage of assistance	Cumulative to June 30			Fiscal year progress		
	1964 actual	1965 estimate	1966 estimate	1964 actual	1965 estimate	1966 estimate
Projects approved for operations	569	669	769	96	100	100
Projects initiating construction (new starts)	396	465	525	46	69	70
Projects completing construction	107	137	167	12	30	30
Projects completing all works of improvement	66	101	136	11	35	35

The full budget estimate of $25,417,000 is recommended for the flood prevention watershed projects for fiscal year 1966. The reduction of $900,000 below 1965 is due to the fact that supplemental funds provided last year for emergency soil conservation measures resulting from severe fires in California are not required again in this bill. The following table summarizes the status of sub-watershed work plans by authorized project:

Flood prevention watersheds	Total authorized area (acres)	Subwatersheds and other areas with planning potential		Subwatershed and other work plans prepared to June 30, 1964	
		Number	Acres	Number	Acres
Buffalo Creek	279,680	3	279,680	3	279,680
Colorado (Middle)	4,613,120	18	4,613,120	13	3,584,700
Coosa	1,339,400	17	1,339,400	17	1,339,400
Little Sioux	1,740,800	210	660,000	61	138,176
Little Tallahatchie	963,977	23	867,476	14	509,926
Los Angeles	536,960	12	301,731	12	301,731
Potomac	4,205,400	32	3,488,000	8	648,877
Santa Ynez	578,000	7	366,950	6	364,600
Trinity	8,424,260	33	7,085,320	24	5,710,490
Washita	5,095,040	62	5,095,040	48	4,034,624
Yazoo	3,222,400	50	3,026,582	28	2,053,370
Total	30,999,037	467	27,123,299	234	18,965,574

The Committee has deleted language limiting the purchase of land in the Yazoo-Little Tallahatchie watersheds. It would further point out that the intent of the Congress in the language affecting these watersheds in Public Law 712, 80th Congress, was to authorize the use of funds for these districts up to such line as the Corps of Engineers and the Soil Conservation Service might agree their respective responsibilities reached.

Great Plains Conservation program.—The bill includes the full budget estimate of $14,864,000 for the coming year. This is a continuation of the 1965 program. During fiscal year 1964, five additional counties were designated for participation in the program, about 4500 farmers and ranchers applied for program assistance, 3719 new contracts covering approximately 5.4 million acres were signed, making a total of nearly 34 million acres placed under cost-share contracts.

Resources conservation and development.—This new program, which was authorized by section 102 of the Food and Agriculture Act of 1962 (Public Law 87–703), provides for technical assistance in planning and carrying out land conservation and land utilization projects in selected areas. Although the Soil Conservation Service is responsible for administering the work of this program, it is carried on cooperatively with other Federal agencies and departments, State and local agencies, and sponsoring organizations. Other agencies of the Department of Agriculture share in the work of these projects in accordance with their regularly assigned functions. Governing bodies of soil conservation districts, in cooperation with other interested committees or groups, are expected to provide local project sponsorship. These projects will usually be in areas where acceleration of conservation activities is required to provide additional economic opportunities to the residents of a single district, or parts of several adjoining districts, or other geographic planning units within a land resource area.

For the next fiscal year, an appropriation of $2,813,000 is proposed, an increase of $1,000,000 over 1965 and a reduction of $1,490,000 in the budget request. The amount approved includes $410,000 for investigations and planning, $639,000 for resource development, $764,000 for technical services, and $1,000,000 for loans and related expense.

ECONOMIC RESEARCH SERVICE

The Economic Research Service was established by Secretary's Memorandum No. 1446, Supplement No. 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service develops and carries out a program of economic research designed to benefit farmers and the general public. The findings of this research are made available to farmers and others through research reports and through economic outlook and situation reports on major commodities, the national economy, and the international economy.

The sum of $11,072,000 is recommended for fiscal year 1966, an increase of $150,000 over 1965 and a decrease of $294,000 in the budget request. The increase includes additional funds for research projects on financial management of family farms, water management and use, and export outlook projections. In view of the critical problems of American agriculture in these three areas, some additional funds for field study appear to be justified.

STATISTICAL REPORTING SERVICE

The Statistical Reporting Service was established by Secretary's Memorandum No. 1446, Supplement 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service was created to give coordinated leadership to the statistical reporting research and service programs of the Department. It provides a channel for the orderly flow of statistical intelligence about the agricultural economy of this country. The primary responsibilities of this Service are the nationwide crop and livestock estimates, coordination and improvement in the Department's statistical requirements, and special surveys of market potentials for agricultural products.

The full budget estimate of $13,595,000 is proposed for next year, an increase of $1,729,000 over the 1965 appropriation for this agency. The additional funds are provided for the purchase of a large scale computer, which is essential to the long-range improvement of crop and livestock estimates. Rental of computer time on an irregular basis from various organizations in and around Washington has become a very inefficient method of operation and can no longer be depended upon for this purpose—where accuracy and speed of release of information are of paramount importance.

The budget proposes to eliminate funds for programs assigned to the agency by Congress in previous years, including cut flower surveys and certain seed reports. It also proposes to reduce the frequency of cattle-on-feed reports in certain areas. In the opinion of the Committee, these activities are essential and should be continued.

CONSUMER AND MARKETING SERVICE

The Consumer and Marketing Service, formerly called the Agricultural Marketing Service, was established November 2, 1953, under authority of section 161, Revised Statutes, Reorganization Plan No. 2 of 1953 and other authorities. The Service carries on the following principal programs:

Consumer, protective, marketing and regulatory programs: These activities contribute to the efficient and orderly marketing of agricultural commodities. They include the Market News service; meat and poultry inspection; other inspection, grading, classing and standardization services; and regulatory activities such as the Federal Seed Act, the Packers and Stockyards Act, U.S. Warehouse Act, Standard Container Act, and others.

Payments to States: The Service administers the matched fund program for marketing activities carried out through cooperative arrangements with State departments of agriculture, bureaus of markets, and similar State agencies.

Special milk program: Assistance is provided to States for making reimbursement payments to eligible schools and child-care institutions which inaugurate or expand milk service in order to increase the consumption of fluid milk by children.

School lunch program: Federal assistance is provide to States, Puerto Rico, Virgin Islands, and Guam for use in serving nutritious midday meals to children attending schools of high school grades or under in order to improve the health and well-being

of the Nation's children, and broaden the market for agricultural food commodities.

Removal of surplus agricultural commodities and marketing agreements and orders: These activities directly or indirectly tend to maintain prices received by farmers and establish and maintain orderly marketing conditions through (*a*) removing from the market surplus agricultural commodities through purchase and donation to eligible recipients, export and diversion payments; distribution of Commodity Credit Corporation donated commodities to eligible outlets authorized under section 416; and cooperation with the food trade and others to encourage greater consumption of abundant foods; (*b*) formulation and administration of marketing agreements and orders.

Food Stamp Program: This program is authorized by the Food Stamp Act of 1964 (P.L. 88–525, approved August 31, 1964). It is aimed at making more effective use of the Nation's food abundance and at improving nutritional standards of needy persons through the issuance of food coupons which may be used in retail stores for the purchase of commercial brand foods.

Consumer protective, marketing, and regulatory programs.—The bill for the coming fiscal year includes a recommended appropriation of $75,852,000 for these programs, an increase of $2,100,000 over 1965 and a decrease of $585,000 in the budget estimate. The proposed increase will provide 300 additional meat and poultry inspectors for next year, which will expand the present force of inspectors to approximately 6,000. It will also provide in excess of $52.5 million for these two regulatory functions.

The meat and poultry inspection work load continues to grow each year due to increased consumer demands, the expansion in the number of meat packing and poultry processing plants, and the increase in number of cities in which such plants are located. The following tabulation indicates the growth in need for meat inspection services:

At end of fiscal year	Establishments		Cities and towns	
	Number	Percent Increase over prior year	Number	Percent Increase over prior year
1962	1,511		623	
1963	1,590	5.2	672	7.9
1964	1,679	5.6	702	4.5
1965 (est.)	1,760	4.8	723	3.0
1966 (est.)	1,842	4.7	745	3.0

The following table indicates the growth in poultry inspection work load:

Item	1962	1963	1964	1965 (est.)	1966 (est.)
Million pounds inspected (live weight)	9,023.6	9,936.1	10,741	11,203	11,690
Number of approved plants as of June 30	984	966	972	1,052	1,052
Number of approved lines as of June 30	1,411	1,367	1,284	1,390	1,445

Payments to States and possessions.—Federal payments, authorized by section 204(b) of the Agricultural Marketing Act of 1946, are made under cooperative agreements between the U.S. Department of Agriculture, State Departments of Agriculture, Bureau of Markets, and similar State agencies for the conduct of eligible marketing service activities on a matching fund basis. The States contribute at least half of the cost and perform the work with State personnel.

The full budget estimate of $1,500,000 is recommended for the coming fiscal year, the same amount as provided for fiscal year 1965.

Special milk program.—The special milk program is aimed primarily at increasing the consumption of fluid milk by children. Nonprofit schools of high school grade and under, all nonprofit summer camps and child-care institutions devoted to the care and training of children, are eligible to participate in the program.

From its inception in fiscal year 1955 through fiscal year 1962, the program was financed through advances from the Commodity Credit Corporation. The Agriculture Act of 1961 (Public Law 87–128) approved August 8, 1961, changed financing to a direct appropriation beginning June 1, 1962. In 1965 one-half of the funds required were provided by a direct appropriation and one-half were provided by transfer from Section 32 funds.

For fiscal year 1966, the Committee proposes a direct appropriation of $100,000,000 to cover the entire cost of this program. This is the full budget request. The indicated increase of $48,500,000 is due entirely to the change from partial section 32 financing to a full appropriation basis.

In 1964, milk consumed under the program, based on the half-pints reimbursed, was more than six times the quantity in 1955—the first year of the program. The volume amounted to more than 2% of the total nonfarm consumption of fluid milk. This was in addition to the 2.7 billion half-pints used in the School Lunch Type A meals.

School lunch program.—The Committee proposes a direct appropriation of $155,000,000 for fiscal year 1966, plus a transfer of $45,000,000 from Section 32 funds for the purchase of meats and other foods needed to provide balanced school lunches. This is an increase of $8,600,000 over 1965 and is a reduction of $2,000,000 in the budget request.

For the past several years, the funds provided for this program have been computed at an average rate of 5 cents per meal for the estimated number of meals to be served during the budget year. The amount proposed for the coming year represents an average Federal payment of 5 cents per meal for an estimated 3 billion meals. This covers both the cash payment and regular Section 6 food purchases. The following figures indicate the growth of this program since 1947:

	1947	1962	1963	1964	1965 (estimate)
School enrollment (thousands)	26,600	43,41[illegible]	45,194	46,936	48,109
Number of schools (month of peak participation by children)	44,537	65,96[illegible]	67,728	69,544	69,900
Number of children (peak-thousands)	6,016	14,965	15,[illegible]35	16,088	17,049
Types A and B lunches	4,506	14,184	14,957	16,004	16,964
Type C lunches	1,510	[illegible]	78	84	85
Number of meals served (millions)	910.9	2,42[illegible].7	[illegible]554.8	2,702.1	2,892.0
Type A:					
With milk, number (millions)	527.4	2,403.8	2,539.8	2,679.0	2,867.4
Percent of total	57.9	99.0	99.4	99.2	99.2
Without milk, number (millions)	129.6	11.5	12.9	17.5	18.6
Percent of total	14.2	.5	.5	.6	.6
Type B:					
With milk, number (millions)	17.8				
Percent of total	2.0				
Without milk, number (millions)	7.4				
Percent of total	.8				
Type C:					
Number (millions)	228.7	12.4	2.1	5.6	6.0
Percent of total	25.1	.5	.1	.2	.2
Number of free or reduced-price lunches served (millions)	109.4	240.1	245.7	262.1	277.9
Free or reduced-price lunches as percent of total lunches served	12.0	9.9	9.6	9.7	9.6

Food Stamp program.—A direct appropriation of $75,000,000 is recommended for fiscal year 1966, a reduction of $25,000,000 in the budget request. An increase of $15,000,000 is proposed over the funds provided for this program for 1965 which total $60,000,000, $25,000,000 by direct appropriation and $35,000,000 by transfer from Section 32 funds.

The funds approved for 1966 will permit extension of the program to 41 States and the District of Columbia, and will provide for more than 100 counties and political subdivisions, including the 43 areas that are now under the pilot program. Direct distribution activities are discontinued in areas where the food stamp plan is instituted.

FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service was established March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 690 approved August 28, 1954, transferred the agricultural attaches from the Department of State to the Foreign Agricultural Service. More recently, the Secretary has assigned to the Service, by transfer from other agencies of the Department, responsibility for the barter and stockpiling program, general sales management for government-owned surplus commodities, ocean transportation functions related to the export of commodities under U.S. programs, and activities relating to developing, evaluating, and reviewing the program for donations of food abroad through voluntary agencies, pursuant to Title III of P.L. 480.

The primary function of the Foreign Agricultural Service is to help American agriculture in maintaining and expanding foreign markets for its products. It maintains a worldwide agricultural intelligence and reporting service, to assist U.S. agricultural industry in its export operations through a continuous program of analyzing and reporting foreign agricultural production, markets, and policies. It helps to develop foreign markets for U.S. farm products through administration of special export programs and through helping to secure international trade conditions that are favorable toward our products.

For the next fiscal year, the Committee recommends the full budget estimate of $20,574,000, a decrease of $205,000 below 1965. The amount approved contemplates a decrease of $285,000 due to financing of market development activities in Brazil from the special foreign currency appropriation next year. This is partially offset by an increase of $80,000 to strengthen the Agricultural Attache service in Chile and on the OECD staff in Europe.

In addition, language is included in the bill to permit the conduct of market development work in excess foreign currency countries with foreign currencies from any source, rather than being limited to those generated by P.L. 480 sales.

COMMODITY EXCHANGE AUTHORITY

The Commodity Exchange Authority administers the Commodity Exchange Act of September 21, 1922, as amended. The objectives are to prevent commodity price manipulation and market corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges and contract markets to cooperative associations of producers; insure trust fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

For this agency, the bill for fiscal year 1966 carries $1,169,000. This is the full budget request and is the same amount as appropriated for 1965. The authority's responsibilities include the supervision of 17 commodity exchanges designated as contract markets, more than 400 brokerage firms registered as futures commission merchants, and about 750 individuals registered as floor brokers.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended (5 U.S.C. 133Z). The Service carries on the following principal programs from appropriated funds:

Production adjustment programs: The Agricultural Adjustment Act of 1938, as amended, authorizes production adjustment for designated basic commodities (tobacco, peanuts, wheat, cotton, and rice) through acreage allotments, and the adjustment of supplies through marketing quotas when supplies reach specified levels in relation to normal demand.

Sugar act program: The chief objective of the Sugar Act of 1948, as amended, is "to protect the welfare of consumers of sugar and those engaged in the domestic sugar-producing industry." This involves (a) determination of U.S. consumption requirements; (b) administration of quotas to regulate imports of sugar produced in foreign areas, as well as marketing of sugar produced in domestic areas; and (c) payments to domestic producers of sugarbeets and sugarcane, provided producers

comply with certain labor, wage, price, and marketing requirements prescribed by law.

Agricultural conservation program: This program is authorized by the provisions of section 7 to 16(a), inclusive, and section 17 of the Soil Conservation and Domestic Allotment Act, as amended. Its objectives include (1) restoring and improving soil fertility, (2) reducing erosion caused by wind and water, and (3) conserving water on land. Cost-sharing assistance is furnished to individual farmers and ranchers in the 50 States, Puerto Rico and the Virgin Islands for carrying out approved soil-building and soil- and water-conserving practices on their farms. This assistance represents only a part of the cost of performing the practices. The farmer bears the balance of the cost, and in addition supplies labor and management necessary to carry out the practices.

Cropland conversion program: Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, by section 101 of the Food and Agriculture Act of 1962, provides for long-term agreements under which cropping systems and land uses will be changed (1) to permanently shift to better productive use cropland which is not well suited for crop use, and (2) to temporarily shift to better productive use and utilize for other purposes land which is suitable for crop use but not currently needed for crops.

Emergency conservation measures: The objective of this program, which is authorized by the Third Supplemental Appropriation Act of 1957 and the Supplemental Appropriation Acts of 1958 and 1959, is to restore to normal agricultural use farmlands which have been damaged by wind erosion, hurricanes, floods, or other natural disasters. To this end, farmers are offered cost-sharing assistance for carrying out approved practices.

Conservation reserve program: The conservation reserve program authorized by the Soil Bank Act is a long-range program under which farmers have voluntarily contracted to take cropland out of production for a specified number of years and devote it to conservation uses. In return the farmer receives (a) an annual rental payment for the contract period, and (b) assistance in either cash or conservation materials and services for carrying out approved conservation practices on the reserved acreage.

Commodity Credit Corporation program activities: Various price support and related programs have been authorized in numerous legislative enactments since the early 1930's. Operations under these programs are financed through the Commodity Credit Corporation. Personnel and facilities of the Agricultural Stabilization and Conservation Service are utilized in the administration of programs of the Commodity Credit Corporation, and the Administrator of the Service is also Executive Vice President of the Corporation.

Foreign assistance programs and other special activities: Various surplus disposal programs and other special activities are conducted pursuant to specific statutory authorizations and directives. These laws authorize the use of CCC funds and facilities to implement the programs. Appropriations for these programs are transferred or paid to the Corporation for its costs

incurred in connection with these activities, such as Public Law 480; International Wheat Agreement; Bartered materials for supplemental stockpile; and National Wool Act.

Expenses, Agricultural Stabilization and Conservation Service.—The Committee proposes an appropriation of $111,714,000 for the coming year for the operating expenses of the various programs administered by this agency. The amount recommended is an increase of $3,162,000 over 1965 and a reduction of $26,636,000 in the 1966 budget request.

An increase of $5,000,000 is allowed to finance workload in county offices in 1966 which was covered in 1965 from available funds carried forward from 1964. This is partially offset by a decrease of $1,838,000, which results from increased employee productivity and contemplates a man-year reduction of 191 in fiscal year 1966.

The budget proposed to transfer $21,108,223 from CCC financing to a direct appropriation basis. The major portion of the proposed decrease is due to the Committee's recommendation that the activities involved continue to be financed from CCC transfers during the coming year.

The Committee takes note of the announced changes being considered by the Department in connection with skip-row planting of cotton. In the opinion of a majority of the Committee, the adoption of such changes would be a definite step backward, since it would result in a failure to fully utilize the results of extensive research in this area.

The Committee calls on the Department to continue the administration of the 1965 cotton loan program on the same basis as in 1964. To provide for disbursements by county offices would result in a large increase in personnel, inconvenience to the farmer, and greatly increased risk to the Government since county employees are not under bond. The fact that they would be personally financially responsible would mean nothing in most cases. This matter has been before the Committee repeatedly in prior years.

Sugar Act program.—The budget estimate of $95,000,000 is recommended for fiscal year 1966, a decrease of $1,000,000 below funds provided for 1965.

Payments are made to domestic producers of sugarbeet and sugarcane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the United States for direct consumption. During the period 1938–64, collections of $2.2 billion from excise taxes and import taxes have exceeded payments by $541.5 million. Estimated collections through fiscal year 1966 of $2.4 billion will exceed estimated payments by $557 million.

The number of payees under the Sugar Act program is shown below:

Area	1963 crop	1964 crop (est.)	1956 crop (est.)
Continental sugarbeet area	37,875	39,500	40,500
Continental sugarcane area	5,644	5,800	5,800
Hawaii	754	805	805
Puerto Rico	12,800	12,800	12,800
Virgin Islands	129	150	150
Total	57,202	59,055	60,055

Agricultural Conservation Program.—The full budget request for a $220,000,000 appropriation is recommended for 1966 to make payments earned under the 1965 program authorized last year. Amounts due under this program are legal commitments and funds must be provided to pay all contracts entered into under the program announced the previous year.

The Committee also has restored the 1966 program authorization to the regular level of $220,000,000—plus $30,000,000 for administration under the appropriation "expenses, ASCS". Nearly every budget submitted for the past 10 years has proposed a reduction in this amount. It has been necessary for Congress to restore such budget cuts each year.

In the opinion of the majority of the members of the Committee, the funds expended through this program return to the Nation the greatest possible conservation benefits. Further, this program provides the best possible means of meeting local conservation needs in all areas of the country. It is far more effective than many other approaches adopted in recent years.

Conservation practices under this program are developed initially at the local level by ASC State and county committees, the Soil Conservation Service, and the Federal Forest Service. Representatives of the land-grant colleges, the Farmers Home Administration, State conservation committees, and other State and Federal agricultural agencies also participate in these determinations.

The recommendations of these groups are used as the basis to formulate joint recommendations to the Agricultural Stabilization and Conservation Service in Washington. From these recommendations, the various agencies of the Department in Washington develop and recommend to the Secretary of Agriculture a national program. State and local people then develop their local programs within the structure of the national program approved by the Secretary. No practices are adopted and put into effect in any State or county unless approved by the local conservation groups.

The contribution of the ACP program to the watershed program and other conservation efforts of the Nation is reflected in the following table of conservation measures performed under the program:

Practice	Unit (in thousands)	Extent under 1963 program	Total accomplishments, 1936–1963
Water storage reservoirs constructed to distribute grazing, control erosion, and conserve irrigation water and wildlife.	Structures	57	1,810
Terraces constructed to control erosion or conserve water	Acres	651	27,472
Stripcropping systems established to control wind or water erosion and conserve water.	Acres	355	111,778
Permanent sod waterways established to control erosion and safely dispose of excess runoff.	Acres	42	811
Enduring vegetative cover established or improved to control erosion, conserve water, and for land-use adjustment.	Acres	5,493	370,865
Competitive shrubs controlled on range or pasture to permit growth of adequate cover for erosion control.	Acres	1,963	48,318
Trees and shrubs planted for forestry purposes, erosion control, or land-use adjustment.	Acres	224	3,834
Forest tree stands improved for forestry purposes and erosion control.	Acres	183	2,994

It was mentioned earlier under the Soil Conservation Service portion of this report that the most serious threat to that agency and the Nation's soil and water conservation program was the budget proposal to drastically reduce this vital cost-sharing program, which is the basis for a large part of the soil conservation practices actually put on the land. It was pointed out that the proposed reduction of $100,000,000 in next year's Agricultural Conservation Program would reduce funds available to the Soil Conservation Service for technical assistance by about $3.5 million, would reduce the number of technicians by 530, and would eliminate or curtail over one-third of the conservation measures applied to the soil through the various watershed and district programs.

Cropland conversion program.—The Food and Agriculture Act of 1962 authorized the Secretary of Agriculture to extend conservation reserve contracts expiring in December 1962, for the calendar year 1963. A total of $6,150,000 was appropriated in fiscal years 1963 and 1964 to liquidate such contracts covering approximately 700,000 acres. No further funds are needed for this purpose, since this feature of the program has not been extended beyond 1963.

The Food and Agriculture Act of 1962 also authorized the Secretary to carry out a pilot program to determine how land not needed for crop production can best be used for conserving and developing soil, water, forests, wildlife, and recreational resources.

The pilot cropland conversion program has been offered in 41 counties of 13 states, involving differing geographic and agricultural situations. In addition, offers have been made to enter into a limited number of agreements in other States and counties to convert cropland to recreational enterprises only. About 2,800 agreements involving 129 thousand acres of cropland have been entered into in about 128 counties in 37 States.

The appropriation act for 1965 appropriated $15,000,000 for the 1964 and 1965 programs. The Committee recommends the sum of $7,500,000 for fiscal year 1966, which will continue the program at the 1964 and 1965 level.

Conservation reserve program.—An appropriation of $140,000,000 is provided in the bill to meet conservation reserve contract commitments in 1966. This is $54,000,000 below 1965 and is a reduction of $10,000,000 in the budget estimate.

The decrease in this program is due to a reduction in annual rental payments as the result of the expiration of 40,316 contracts covering 3,237,494 acres previously withheld from production. Payments under this program will continue through 1973 on a diminishing basis as follows:

Fiscal year	Annual rental payments for current contracts (dollars)	Estimated acres in reserve (acres)	Fiscal year	Annual rental payments for current contracts (dollars)	Estimated acres in reserve (acres)
1967	151,094,466	13,617,720	1971 [1]	815,034	70,653
1968	131,043,730	11,363,846	1972 [1]	85,573	7,785
1969	116,374,484	9,688,294	1973 [1]	1,750	134
1970	42,806,735	3,602,369			

[1] Represents mandatory extensions because tree seedlings were unavailable during 1960.

Emergency Conservation Measures.—This appropriation provides special funds for sharing the cost of emergency conservation measures to deal with cases of severe damage to farm and rangelands resulting from natural disasters. The criteria under which assistance may be made available are set forth in the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(h)).

Funds are allocated for use only in those counties designated by the Secretary of Agriculture as disaster counties. Assistance is made available to treat new conservation problems which (1) if not treated will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area, and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

The budget estimate of $4,000,000 is proposed for next year for this purpose. The decrease of $10,000,000 is due to a non-recurring supplemental enacted this spring to treat farm and range lands damaged by recent floods in the far west.

RURAL COMMUNITY DEVELOPMENT SERVICE

The Rural Community Development Service has been established as a new agency of the Department. It includes the activities of the former Office of Rural Areas Development established June 16, 1961, to provide for general staff coordination of the rural areas development activities of the Department. In addition, it will undertake to facilitate the effective extension into rural areas of assistance programs of other Federal agencies which do not now effectively reach rural areas because of the administrative difficulties of communicating with the dispersed rural population. It will work with local organizations and leaders in helping them to locate and use the facilities of private, State, and other Federal agencies in developing the economy of rural areas, particularly those of low income.

The Committee recommends $500,000 for fiscal year 1966 for this program, an increase of $368,000 over 1965 and a reduction of $250,000 in the budget request. The increase will be used to establish new field offices, in addition to the three now in operation, to provide leadership and coordination for the Rural Community Development activities of the Department. These field offices will serve as contact points for applicants for rural development projects and help to channel requests to existing local, State, and Federal agencies and institutions; make contact with sources of financial and technical assistance; follow through the difficult phases of project development; assist in establishing new industrial and commercial establishments; and assist in the establishment of adequate training programs.

OFFICE OF THE INSPECTOR GENERAL

Internal audit, inspection, and investigations activities are carried out by the Office of the Inspector General which was established by the Secretary of Agriculture's Memorandum No. 1503 dated June 25, 1962, and No. 1524 dated December 21, 1962. The Office is responsible to the Secretary for assuring that existing laws, policies, and

programs of the Secretary are effectively complied with on every level of administration in accordance with the intent of the Congress and the Secretary. It insures prompt and appropriate corrective action in those areas in which deviation from established law, policy, procedure, rules, or regulations has developed; and conducts internal audit, inspection, and investigative activities within the Department and coordinates and correlates them with various investigative agencies of the executive and legislative branches of the Government.

The bill includes $10,416,000 for the coming year, an increase of $300,000 over 1965 and a decrease of $545,000 in the budget request. The increase is provided to meet the necessary field audit and investigative needs of the expanding food stamp program. Following is a table comparing the estimated workload, related to the increase, with the fiscal year 1964 actual accomplishments.

	Fiscal year 1964	Fiscal year 1965 (est.)	Fiscal year 1966 (est.)
Number of audits	70	133	179
Number of investigations	80	200	300

Language is also included to permit the temporary employment of experts and consultants as needed to evaluate the adequacy and quality of audits and inspections made by this office.

OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel, originally known as the Office of the Solicitor, was established in 1910 as the law office of the Department of Agriculture, and performs all of the legal work arising from the activities of the Department. The General Counsel represents the Department in administrative proceedings for the promulgation of rules having the force and effect of law; in quasijudicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from the decisions of the Commission to the courts. He serves as General Counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. He reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

The Committee proposes an appropriation of $4,139,000 for fiscal year 1966, an increase of $100,000 over 1965 and a reduction of $90,000 in the budget request. The increase is provided to meet the additional legal work related to the food stamp program, Packers and Stockyards Act, and programs of the Farmers Home Administration and the Forest Service. Appropriations for all of these agencies have been increased in recent years, with corresponding increases in their demands upon this office for legal assistance.

OFFICE OF INFORMATION

The Office of Information was established under its present name in 1925 as a consolidation of functions formally organized as early as 1889, to coordinate in the Department the dissemination of informa-

tion useful to agriculture as directed by the act establishing the Department of Agriculture in 1862.

The Office has general direction and supervision of all publications and other information policies and activities of the Department including the final review, illustrating, printing, and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration-type photographs; and the preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department Directory, and the Department List of Publications; handles the details of distributing farmers' bulletins allotted to Members of Congress; and services letter and telephone requests for general information received in the Department. Under the Department's working capital fund, the Office also produces visual informational materials, such as motion pictures, art and graphics materials, and still photographic work for the Department and other Government agencies.

The full budget estimate of $1,689,000 is recommended for this office in 1966. This is a continuation of the program level authorized for fiscal year 1965.

NATIONAL AGRICULTURAL LIBRARY

The Library, pursuant to the Department's organic act of 1862, and under delegation from the Secretary, "procures and preserves all information concerning agriculture which can be obtained by means of books * * *." Under the act establishing the Department, the Library also serves as the National Agricultural Library.

The Library makes available to the research workers of the Department and the State agricultural colleges, as well as to the general public, the agricultural knowledge of the world that is contained in published literature. The Library collects current and historical published material and organizes it for maximum service to the Department and to the public through reference services, loans of publications, bibliographical services, and photo reproductions of library material. It issues a monthly Bibliography of Agriculture in which is listed the agricultural literature of the world. The book collection approximates 1.2 million volumes.

The 1965 appropriation for salaries and expenses of $1,599,000 is proposed again for fiscal year 1966, a reduction of $266,000 in the budget estimate. In view of the planned construction of a new library at Beltsville during the coming year, the Committee feels that further increases in staff and library services should be deferred.

An appropriation of $7,000,000 is also included in the bill for the construction, equipping and furnishing of a new library building at the Beltsville Research Center. Architectural plans are scheduled for completion in September, 1965. The construction contract will be let shortly thereafter, with completion scheduled for the fall of 1967. It is expected that the amount provided herein will be the full and complete cost of this facility, exclusive of planning funds previously appropriated.

OFFICE OF MANAGEMENT SERVICES

The Office of Management Services provides consolidated management support services to certain agencies and offices of the Department. It was established by Secretary's Memorandum No. 1529, dated January 29, 1963, to provide greater economy and effectiveness in the rendering of management service through: improved utilization of manpower and management techniques; increased specialization of professional skills; and more extensive use of time-saving equipment.

The consolidated management support functions include budget and finance, personnel and related programs, administrative services, and information work. The organization structure of OMS is based upon these functions with operating divisions providing the services for the following agencies and offices: Office of the Secretary, Office of Budget and Finance, Office of Hearing Examiners, Office of Management Appraisal and Systems Development, Office of Personnel, Office of Plant and Operations, Rural Community Development Service, Office of Information, National Agricultural Library, Office of the General Counsel, Office of the Inspector General, Farmer Cooperative Service, Commodity Exchange Authority, Cooperative State Research Service, Economic Research Service, and Statistical Reporting Service.

The 1965 appropriation of $2,483,000 is recommended again for next year. This is a decrease of $96,000 in the budget estimate. Since the programs of the agencies served by this office have been held at or close to the 1965 level, no increase is required for their administrative service support.

GENERAL ADMINISTRATION

The Secretary of Agriculture, assisted by the Under Secretary, the Assistant Secretaries, and members of their immediate staff, directs and coordinates the work of the Department; formulates and develops policy; maintains relationships with agricultural organizations and others in the development of farm programs; and maintains liaison with the Executive Office of the President and Members of Congress on all matters pertaining to legislation and policy to insure effective performance of the agricultural programs of the Department.

The following activities are also included under General Administration:

Personnel administration and service is carried on by the Office of Personnel, the staff agency with responsibility for the personnel management program of the Department.

Budgetary and financial administration and service is carried on by the Office of Budget and Finance, the staff agency with responsibility for functions relating to overall administration of the budgetary, fiscal, and related affairs of the Department.

General operations are carried on by the Office of Plant and Operations, a staff agency exercising general staff management direction of the housing of the Department's activities; the leasing of commercial space and management of real property; procurement activities; purchasing, warehousing, utilization and disposal of administrative and operating supplies and equipment.

Management appraisal and systems development functions are carried out by the Office of Management Appraisal and Systems

Development which was established by Secretary's Memorandum No. 1477 of December 8, 1961. The Office is responsible for the general direction, leadership, and coordination in the department of management appraisals, systems design, automatic data processing, operations research, and related management techniques.

Regulatory hearings and decisions include the work of the Office of Hearing Examiners and of the Judicial Officer. The Hearing Examiners carry out the provisions of the Administrative Procedure Act relating to the holding of hearings (5 U.S.C. 1006, 1010). Hearings are held in connection with prescribing of new regulations and orders, and on disciplinary complaints filed by the Department, or on petitions filed by private parties asking relief from some action of the Department.

The National Agricultural Advisory Commission was established pursuant to Executive Order 10472, approved July 20, 1953, amended by Executive Order 10937, approved May 3, 1961. In its advisory functions, the Commission is concerned with the broad fields of agricultural policy and administration, both as they affect the U.S. farmer and the national economy.

The Committee recommends that the appropriation for the coming year be held to the 1965 level of $3,553,000. This is a reduction of $295,000 below the budget request. As noted at the beginning of this report, no increases have been included which would increase the total number of Washington office employees beyond present levels.

The Committee was disturbed recently by the failure of the Department to keep informed adequately on legislative bills and reports introduced and to make certain that the Department is properly represented at hearings and other meetings at which proposed legislation and other matters of vital interest to Agriculture are considered. While the Congressional Liaison Office is doing its best, more definite arrangements to meet this responsibility should be made by the Secretary and means should be adopted to make certain this responsibility is fully carried out.

Title II—Credit Agencies

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order 7037 of May 11, 1935, to make loans for extension of central station electric service to unserved rural people. It was continued by the Rural Electrification Act of May 20, 1936, and became part of the Department of Agriculture on July 1, 1939, under Reorganization Plan II. On October 28, 1949, Public Law 423 amended the act to authorize loans for furnishing and improving rural telephone service.

Electric and telephone construction loans are self-liquidating within a period not to exceed 35 years at 2 percent interest.

Loan authorization.—The full budget estimate of $350,000,000 is recommended for electrification loans for 1966, including a contingency reserve of $65,000,000. This is a reduction of $15,000,000 below electrification loan funds authorized for 1965.

The need for electrification loan funds is indicated by the greatly increasing need for electric energy. Forecasts by the electric utility industry show that the country's energy output will grow from 860 million kilowatt hours (kwh) in 1962 to 1.5 trillion kwh in 1970, and to 3.1 trillion kwh in 1980. The growth rate will quadruple the country's total output in the next 20 years. The forecasts indicate that all of the electric systems in America—cooperatives, private and public—will need more than $140 billion of new capital for expanded plant facilities to meet the growing demand for service by 1980, or an average annual investment of 7 percent of plant. For the REA-financed rural systems the need for new capital will grow accordingly.

The consumer density on REA financed electric systems is 3.3 consumers or meters to the mile as compared to 33.2 for the class A and B commercial utilities. Their annual gross revenues average $460 per year per mile of line, while annual gross revenues per mile of class A and B utilities is $7,164. The rural electric systems have built 1.5 million miles of distribution lines in this country. This is one-half of the distribution line mileage in the industry, but it serves only 8 percent of the consumers and grosses only 5 percent of the revenue of the industry.

For the telephone loan program, the bill includes an authorization of $97,000,000 for 1966, the full budget estimate. The Committee has included a separate contingency reserve of $7,000,000 within the total amount approved—a practice which has been found very useful in previous years.

Since the inception of the rural telephone program in fiscal year 1950, loans have totaled over $1,078 million. During this period the percentage of farms with telephone service has increased from about 38 percent to an estimated 79 percent. There is a continued interest in modern telephone service in areas where present facilities are inadequate and do not meet the needs for modern communications.

Telephone loan applications on hand at the close of fiscal years 1962, 1963 and 1964 totaled $56.4 million, $58.3 million and $84.7 million respectively. New applications received during fiscal year 1964 totaled $102.1 million with a steady and gradual increase in the average monthly rate of incoming applications. During the first five months of fiscal year 1965, incoming applications were received at an annual rate of about $108 million. With loans of $97 million during fiscal year 1965, applications remaining on hand at the close of fiscal year 1965 will probably total about $96 million. It seems quite certain that applications received in fiscal year 1966 will reach $105 million. With a $96 million carryover of unapproved applications, this will provide more than $200 million in applications for consideration during the fiscal year 1966.

Salaries and expenses.—For the administrative costs of the REA program, the full budget estimate of $11,934,000 is proposed for 1966. This is the same amount as appropriated for 1965.

FARMERS HOME ADMINISTRATION

The Farmers Home Administration, established November 1, 1946, conducts the following primary activities:

Makes direct and insured farmownership loans to farmers and ranchers for acquiring, enlarging, or improving farms, including farm buildings, land development, use and conservation, refinancing indebtedness, and for loan-closing costs. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent. Insured loans are made with funds advanced by private lenders and payments of principal and interest are fully guaranteed.

Makes direct and insured soil and water conservation loans to farmers and ranchers and to associations for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent. Insured loans are made on the same basis as farmownership insured loans.

Makes direct operating loans to farmers and ranchers for costs incident to reorganizing a farming system for more profitable operations, for a variety of essential farm operating expenses such as purchase of livestock, farm equipment, feed, seed, fertilizer, and farm supplies, for financing land and water development, use and conservation, for refinancing indebtedness, for other farm and home needs, and for loan-closing costs. Loans bear interest at 5 percent and may be made for periods up to 7 years, but may be renewed for not more than 5 additional years.

Makes direct emergency loans in designated areas where a natural disaster has caused a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources, including the Farmers Home Administration. Emergency loans bear interest not in excess of 3 percent and are repayable not later than provided for the regular loans for similar purposes.

Makes rural housing loans and grants for building purposes pursuant to title V of the Housing Act of 1949, as amended, to farm owners, to owners of other real estate in rural areas, and to long-term farm leaseholders to construct, improve, alter, repair, or replace dwellings and essential farm service buildings. Direct farm enlargement and development loans, along with building loans, are also made to farmowners on potentially adequate farms who need to develop their farms so as to increase their income sufficiently to repay the loans. Loans are repayable in not more than 33 years and bear interest at 4 percent.

Makes watershed and flood prevention loans from funds appropriated under "Watershed protection, Soil Conservation Service" and under "Flood prevention, Soil Conservation Service." Such loans are made to local organizations for installing, repairing, or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs. Loans are repayable in not more than 50 years at an interest rate based on specified outstanding obligations of the Treasury.

Makes insured loans for rental housing for the elderly pursuant to title V of the Housing Act of 1949, as amended. Such insured loans are made to individuals, corporations, associations, trusts, or partnerships to provide moderate cost rental housing and related facilities for elderly persons in rural areas. These loans, made with funds advanced by private lenders, are repayable in the number of years best suited to the individual case and bear interest at 5¾ percent. No loan may exceed $100,000.

Makes direct loans for rental housing for the elderly pursuant to title V of the Housing Act of 1949, as amended. Such direct loans are made to private nonprofit corporations and consumer cooperatives to provide modest cost rental housing and related facilities for elderly persons of low or moderate income in rural areas. These direct loans, made from the Rural housing for the elderly revolving fund, are repayable in not more than 50 years and bear interest at a rate similar to that of the direct loan program of the Housing and Home Finance Agency for the elderly in urban areas which is currently 3¾ percent.

Provides technical assistance and makes direct loans for rural renewal activity pursuant to section 102 of the Food and Agriculture Act of 1962. Loans are made to local agencies or groups for rural renewal projects specifically related to conservation and land utilization. Each project financed with loan funds will be an important component of an overall rural renewal plan developed to rebuild the economy of the designated area. To be eligible for designation as a rural renewal area, the locality must be one of chronic underemployment on farms and unemployment in the surrounding communities. The area must also be one in which agriculture or forestry contribute substantially to the economy. Rural renewal loans are repayable in not more than 30 years, with repayment of principal and interest deferred up to 5 years, if necessary. Loans bear interest at the average rate paid by the U.S. Treasury on obligations of similar maturity. The present rate is 3.137 percent. Loans in excess of $250,000 require approval of the Committee on Agriculture of the House and the Committee on Agriculture and Forestry of the Senate.

Makes insured farm labor housing loans pursuant to title V of the Housing Act of 1949, as amended. Such insured loans are made either to a farm owner or to a public or private nonprofit organization to provide modest living quarters and related facilities for domestic farm labor. These loans, which are made with funds advanced by private lenders, are repayable in not more than 33 years. Otherwise, insured farm labor housing loans are subject to the same terms and limitations applicable to other types of insured loans, except that these loans are not limited to family farms or to any specific amount.

In fiscal year 1965, the Farmers Home Administration began to make direct resource conservation and development loans from funds appropriated to the Soil Conservation Service under "Resource conservation and development." Loans are made to local organizations and individuals for planned conservation measures and works of improvement as specified in approved work plans.

Rural housing grants and loans.—The 1966 budget request of $10,000,000 for this purpose is not recommended. Language was added to the 1965 appropriation act to deny the use of funds for rural

housing grants. The Committee believes that no change in this policy should be made for the coming year.

Direct loan account.—Pursuant to the Consolidated Farmers Home Administration Act of 1961, a direct loan account was established in fiscal year 1962. Collections of principal and interest on loans outstanding are deposited in the direct loan account and are available for principal and interest payments on borrowings from the Secretary of the Treasury and for making additional loans for (a) farmownership, (b) soil and water conservation, and (c) operating purposes. Such loans may be made only in such amounts as may be authorized in annual appropriation acts.

As of the end of fiscal year 1965, it is estimated that this account will have a balance on hand of $72,748,550. Estimated collections in fiscal year 1966 of $346,851,450 will provide a total of $419,600,000 for 1966 loan purposes.

The bill includes loan authorizations for the coming year of $340,000,000, of which $40,000,000 is provided for real estate loans and $300,000,000 is included for operating loans. The operating loan authorization is the same amount as approved for 1965. Of this amount, $50,000,000 has been placed in a contingency reserve as in previous years. The real estate loan figure of $40,000,000 is $20,000,000 less than provided for 1965. The reduction contemplates the greater use of insured loans through the Agricultural Credit Insurance Fund to meet the real estate loan need. Legislation is now pending in Congress to increase the annual limit on insured loans from $200 million to $450 million.

Rural housing for domestic farm labor.—This new program of financial assistance is authorized by section 516 of the Housing Act of 1949, as recently amended. (Public Law 88–560).

The Committee has agreed to an appropriation of $2,000,000 for the coming year to enable the Department to undertake this new program on an experimental basis. It recognizes the serious shortage of farm labor to do "tedious" and "stoop" work on the Nation's farms. It feels, however, that no funds should be provided to any applicant in excess of 50 percent of the development costs and that grants should be limited strictly to non-profit associations or public bodies of a similar nature. Grants to individuals or private organizations must not be permitted. The Committee recognizes that, unless this program is kept under very close supervision, it could result in the use of Federal funds for the benefit of private land owners.

Rural renewal.—The rural renewal program was authorized by section 102 of the Food and Agricultural Act of 1962. The program provides technical assistance to locally initiated and sponsored demonstration projects. Loans are made to local public agencies or groups for rural renewal development projects specifically related to conservation and land utilization. To be eligible for designation as a rural renewal area, the locality must be one of chronic underemployment on farms and unemployment in the surrounding com-

munities and where agriculture or forestry contributes substantially to the economy.

The Committee recommends that the funds for this purpose be continued at the 1965 level of $1,200,000, a reduction of $1,800,000 in the budget request. As of March 31, 1965, an unobligated balance of over $1 million was available for future activities under this program.

Rural housing for the elderly revolving fund.—This program was authorized by the Senior Citizens Housing Act of 1962, approved September 28, 1962. The act authorizes appropriations for a revolving fund to finance the program. It also authorizes loans from the revolving fund to private nonprofit corporations and consumer cooperatives to provide modest rental housing and related facilities for elderly persons (age 62 or over) of low or moderate income in rural areas. These are direct loans, repayable in not more than 50 years. The interest is comparable to housing loans for the elderly in urban areas, which is currently running 3¾ percent.

An appropriation of $2,500,000 is proposed for 1966, a reduction of $2,500,000 below 1965 and the budget request. As of March 31, 1965, slightly over $8.5 million was available in this account to meet future needs.

Salaries and expenses.—The Committee recommends an appropriation for 1966 in the amount of $42,733,000. This is an increase of $1,500,000 over 1965 and a reduction of $1,959,000 in the budget estimate.

In addition, the Committee has restored language in the bill which authorizes the use of not to exceed $500,000 of the funds available for the various new programs administered by this agency for the employment of temporary personnel to meet unusual or heavy workload increases.

New responsibilities in the field of financing shifts in land use, recreational enterprises, rental housing for senior citizens in rural areas, farm labor housing, assistance to disadvantaged rural youth and under other authorities of the Farmers Home Administration require new skills and additional manpower, particularly at the field level. With low income farm borrowers, it is particularly important to provide good technical supervision and assistance coupled with needed credit, if the borrower is to become successfully established. The complicated financial management problems of many applicants require more skill and more effort today than formerly was the case.

During the past 30 years, hundreds of thousands of farm families have used the lending programs administered by the Farmers Home Administration and its predecessor agencies, to equip, improve, operate and buy family farms. In every instance the families that borrowed funds from the Farmers Home Administration had exhausted the credit available to them from conventional credit sources. Repayment of principal and interest to date totals $5.8 billion. The balance of the amount outstanding has not yet fallen due. For current programs the amount of principal written off is less than one percent.

In view of the outstanding record on this agency, it is appropriate to review briefly the history of its programs.

The Department's present supervised credit program began in the mid-1930's. In those days the agency was known as the Resettlement Administration (1935–37) and later as the Farm Security Administration (1937–46). The Farmers Home Administration succeeded the FSA in 1946.

The original programs initiated in 1937 included direct farm ownership loans, and soil and water loans. In 1946 the following loan programs were added: insured farm ownership and soil and water loans, and farm operating loans. In 1949, direct rural housing building loans, repair and improvement grants, and emergency loans to meet natural disasters were added to the agency's program. Insured soil and water loans were authorized in 1954. Watershed protection loans were initiated in 1956 and flood prevention loans were started in 1960, both by allotment from the Soil Conservation Service.

Legislation enacted by the Congress in the past four years has greatly broadened the scope of the Farmers Home Administration. Not only have services to family farmers been increased, but a substantial expansion has taken place in the development of services related to rural community development and rural poverty. Farm labor housing loans were authorized in 1961, insured loans for rental housing for the elderly were added in 1962, and direct loans for rental housing for the elderly and rural renewal loans were initiated in 1964.

Two new categories of loans were added to the agency's program this year, including resource conservation and development loans (by allotment from Soil Conservation Service), and economic opportunity loans (by allotment from Office of Economic Opportunity). Also, it is proposed to initiate the farm labor housing program next year under amendments to the Housing Act adopted last year.

The Committee is proud of the outstanding record made by this agency and takes pride in having taken part in its accomplishments. It is pleased to have contributed to the broadening of the scope of the programs of this agency to cover "rural" areas as well as "farm" areas, so as to provide credit for those in rural areas who were not covered by either Federal Housing Agency loans for urban dwellers or Farmers Home Administration loans for those living on farms. The Committee also takes pride in its part in providing watershed and flood-prevention loans needed to strengthen the soil and water conservation programs of the Nation.

Title III—Corporations (Including P.L. 480 and Other Foreign Assistance Programs)

Federal Crop Insurance Corporation

The Federal Crop Insurance Corporation is a wholly owned Government corporation created February 16, 1938 to carry out the Federal Crop Insurance Act. Its purpose is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The Committee recommends a total of $11,616,000 for administrative and operating expenses during the next fiscal year, $7,478,000 by direct appropriation and $4,138,000 from premium income. This represents a net increase over 1965 of $500,000, one-half the budget request, all to come from premium income. The amount of appropriated funds is retained at the 1965 level, a reduction of $1,000,000 in the budget estimate.

The amount recommended for 1966 is based on an expansion of crop insurance into 100 counties during the next year, and some increased participation in present counties. The following table summarizes the level of operations for crop years 1964 through 1966.

	1964	1965 (est.)	1966 (est.)
Number of counties	1,187	1,212	1,312
Number of county programs	2,685	2,779	3,008
Insured acreage (1,000)	14,808	15,937	17,555
Number of crops insured	447,539	472,000	520,000
Insured liability ($1,000)	$546,842	$590,000	$693,000
Administrative and operating expenses ($1,000)	$10,292	$11,116	$12,116
Premiums ($1,000)	$34,192	$36,800	$43,200

COMMODITY CREDIT CORPORATION

The Corporation was organized October 17, 1933, under the laws of the State of Delaware, as an agency of the United States, and was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan I. On July 1, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter by Public Law 80–806, as amended. Its operations are conducted pursuant to this charter and other specific legislation.

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balance and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation is managed by a board of directors appointed by the President and confirmed by the Senate, subject to the general supervision and direction of the Secretary of Agriculture, who is, ex officio, a director and chairman of the board. In addition, it has a bipartisan advisory board of five members appointed by the President to survey the general policies of the Corporation and advise the Secretary with respect thereto.

Personnel and facilities of the Agricultural Stabilization and Conservation Service, ASC State and county committees, and other USDA agencies are used to carry out Corporation activities.

The Corporation has an authorized capital stock of $100 million held by the United States and authority to borrow up to $14.5 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies. In connection with loan guarantees, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by lending agencies or certificates of interest issued in connection with the financing of price-support operations. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1939 (15 U.S.C. 713a–4).

The budget is based on the following types of programs: (1) price support, (2) commodity export, (3) storage facilities, (4) supply and foreign purchase, (5) feed grain acreage diversion program, (6) wheat acreage diversion and certificate programs, (7) cotton equalization payments, and (8) special activities.

Reimbursement for net realized losses.—The full budget estimate of $2,300,000,000 is included in the bill to restore a portion of the capital impairment of the Corporation for fiscal year 1964. This is a reduction of $374,000,000 below the funds appropriated in fiscal year 1965. The best information available to the Committee at this time indicates that this amount will be adequate to finance price support operations during the coming fiscal year. It is realized, however, that the exact amount required next year will be determined finally by the volume of production, weather conditions, market prices and other uncertain and uncontrollable factors which can not be accurately predicted at this time.

The Committee has approved budget language which will avoid increasing future appropriation requests by accumulated interest charges on realized losses not restored currently. This change will have the effect of terminating at the close of each fiscal year, beginning with the fiscal year 1965, interest on borrowings from the Treasury in an amount equivalent to the realized losses sustained by the Corporation (1) during the fiscal year 1965 and succeeding fiscal years, and (2) in prior fiscal years, for which the Corporation has not been reimbursed by appropriation. Interest would continue to be charged on borrowings for losses sustained during a particular fiscal year but not after the end of that fiscal year. This would limit interest expenses to borrowings for current operations and would avoid increasing future appropriation requests by interest charges resulting solely from deferral of reimbursement to the Corporation for realized costs and losses applicable to past operations.

The Committee wishes to point out again this year that a major portion of the funds expended by the Commodity Credit Corporation for price support and related activities go to nonfarm groups, including warehousemen, transportation companies, exporters, consumers, and others. A review of the major elements of cost for the past 6 years shows that the percentage of CCC payments to nonfarm groups has run around 60 percent on the average.

Limitation on administrative expenses.—The Committee recommends the proposed budget limitation of $36,650,000 for the Corporation's administrative expenses during the coming year. This amount is $701,000 less than provided for 1965. This reduction has been made possible by increased productivity of employees paid from these funds.

Despite salary increases and other increased costs, the officials of the Corporation and the Agricultural Stabilization and Conservation Service have been able to reduce personnel during the past two years. This is a most commendable accomplishment.

FOREIGN ASSISTANCE PROGRAMS

A number of statutes provide for the facilities of the Commodity Credit Corporation to be used in carrying out programs for the exportation of surplus agricultural commodities and authorize appropriations to reimburse the Corporation for costs incurred in connection with such programs.

Prior to fiscal year 1962, the Corporation was reimbursed for the costs of these activities by appropriations subsequent to incurrence of the costs. Beginning in the fiscal year 1962, the Congress added funds to place these activities on a pay-as-you-go basis, appropriating for estimated costs in fiscal year 1962. Subsequent bills have included funds for each ensuing fiscal year on the same basis as for other programs of the Department.

Foreign assistance programs are currently being carried out pursuant to the following specific authorizations:

Public Law 480 (Agricultural Trade Development and Assistance Act—7 U.S.C. 1701–1736):

Sales of surplus agricultural commodities for foreign currencies: Under title I of the act, surplus agricultural commodities are sold for foreign currencies. Within certain limitations, these currencies may then be used by the U.S. Government for agricultural market development, purchase of strategic materials, military equipment facilities and services for the common defense, payment of U.S. obligations, military housing, and other specified purposes.

Commodities disposed of for emergency famine relief to friendly peoples: Under title II, the Commodity Credit Corporation makes its surplus stocks of agricultural commodities available for famine relief and other assistance to friendly nations and friendly peoples in meeting famine or other relief requirements and to pay ocean freight charges for the shipment of donated commodities.

Long-term supply contracts: Under title IV the President is authorized to make agreements with friendly nations under which the United States could deliver surplus agricultural commodities over periods of up to 10 years and accept payment in dollars with interest over periods of up to 20 years.

Appropriations are authorized to reimburse the Corporation for its cost in carrying out these programs.

International Wheat Agreement (7 U.S.C. 1641–1642): The Act operates to provide an assured market for wheat to exporting countries at stable and equitable prices. The maximum and minimum

prices in the 1962 agreement are $2.025 and $1.625 per bushel, respectively, for the basic grade of wheat, No. 1, Manitoba Northern, at Fort William/Port Arthur, Canada. The United States is an exporting member. Importing members may purchase wheat and wheat flour in the United States from commercial exporters.

The Commodity Credit Corporation makes available wheat or wheat flour to carry out the provisions of the agreement, including the payment-in-kind to the exporter for the difference between the prevailing sales price of wheat under the agreement and the market price. A cash payment for this differential is made for flour.

Bartered materials for supplemental stockpile: Under title II of the Agricultural Act of 1956 (7 U.S.C. 1856), the Commodity Credit Corporation transfers to the supplemental stockpile strategic and other materials acquired as a result of barter and exchange of agricultural commodities, other than those acquired for the national stockpile or for other purposes. Appropriations are authorized for the value of materials transferred at the lower of cost or market value at the time of the transfer.

Public Law 480.—The bill includes a total appropriation of $1,658,000,000 for (1) sales of surplus agricultural commodities for foreign currencies pursuant to title I of said act, (2) commodities donated for emergency famine relief to friendly peoples pursuant to title II, and (3) long-term supply contracts pursuant to title IV. The Committee has approved the full budget estimate, which is $659,453,000 below the funds appropriated for 1965.

To permit more flexibility in financial administration of this program, separate amounts for each purpose have not been provided for next year.

The rate at which expenditures are made under these programs is influenced by such unpredictable factors as international negotiations, economic conditions abroad, availability of shipping space, and the processing of documents. Also, these programs are affected by major farm legislation, and the effect of new legislation cannot be foreseen at this point.

International Wheat Agreement.—The full budget estimate of $27,544,000 is recommended for the coming year, a reduction of $54,294,000 below the appropriation for 1965. This decrease results from a 5 cent reduction in the estimated export payment rate, and the elimination of non-recurring interest expenses in 1965.

Bartered material for supplemental stockpile.—The Committee proposes an appropriation of $30,000,000 for fiscal year 1966, a decrease of $62,860,000 below funds provided for 1965, and a reduction of $22,500,000 in the budget request.

Information which has been brought to the attention of the Committee causes some concern about the type of transactions conducted under the barter program. The Secretary should review this activity thoroughly during the coming year to make certain that it is receiving the closest possible administrative supervision and audit. The use of funds provided through this appropriation should be given close scrutiny and curtailed wherever possible.

Title IV—Related Agencies

FARM CREDIT ADMINISTRATION

Limitation on administrative expenses.—The Administration supervises, examines, and provides facilities and services to a coordinated system of farm credit banks and associations making loans to farmers and their cooperatives. Services and facilities furnished by the Administration facilitate the operations of the several agencies and their progress toward farmer ownership. Typical services are: custody of collateral for bonds and debentures, assistance in financing and investments, credit analysis, development of land appraisal standards and policies, preparation of reports and budgets, and preparation and distribution of information on farm credit. All expenses of these activities are paid by assessments collected from the banks and associations of the farm credit system.

Since December 4, 1953, the Administration has been an independent agency under the direction of a Federal Farm Credit Board (12 U.S.C. 636). The Administration, originally created by Executive Order No. 6084 on May 27, 1933, was transferred to the Department of Agriculture on July 1, 1939, by Reorganization Plan No. 1.

The amount of loans made by the Farm Credit banks and associations continued in an upward trend and reached a new peak during the past year. A net total of $5.9 billion in credit extended to agriculture in the year ended June 30, 1964, compares with $5.3 billion for fiscal 1963. The 12 Federal land banks in the year ended June 30, 1964, made loans amounting to $852 million as compared with $682 million in fiscal 1963. Production credit associations made $3.7 billion in short- and intermediate-term loans to farmers in the 1964 fiscal year compared with $3.4 billion in fiscal 1963. The banks for cooperatives made $1.06 billion in loans to farmers' marketing, purchasing and business service cooperatives during the year ended June 30, 1964, about $115 million more than in the 1963 fiscal year.

Due to the increased use of credit by farmers' and their cooperatives, the total amount of loans outstanding among all Farm Credit banks and associations reached a new peak. Outstandings amounted to $6.9 billion on June 30, 1964, as compared with $6.3 billion a year earlier. The amount outstanding was at peak levels for each group of banks.

The full budget estimate of $2,990,000 is recommended for fiscal year 1966 an increase of $59,000 over 1964. The increase is provided to cover part-year vacancies in 1965, which will be filled for a full year in 1966.

NATIONAL COMMISSION ON FOOD MARKETING

The National Commission on Food Marketing is a temporary, bipartisan Commission created on July 3, 1964 (Public Law 88–354) to conduct a broad scale study of the marketing structure of the food industry. Originally a report was to be submitted to the President and the Congress by July 1, 1965. Legislation to extend this date to July 1, 1966, has been proposed. The Commission automatically ceases to exist 90 days after the final reporting date.

As set forth in the authorizing legislation, the duties of the Commission are to study and appraise—

1. The actual changes, principally in the past two decades, in the various segments of the food industry;
2. The changes likely to materialize if present trends continue;
3. The kind of food industry that would assure efficiency of production, assembly, processing, and distribution, provide appropriate services to consumers, and yet maintain acceptable competitive alternatives of procurement and sales in all segments of the industry from producer to consumer;
4. The changes in statutes or public policy, the organization of farming and of food assembly, processing, and distribution, and the interrelationships between segments of the food industry which would be appropriate to achieve a desired distribution of power as well as desired levels of efficiency;
5. The effectiveness of the services, including the dissemination of market news, and regulatory activities of the Federal Government in terms of present and probable developments in the industry; and
6. The effect of imported food on U.S. producers, processors, and consumers.

An appropriation of $750,000 is recommended for the next fiscal year for the activities of this organization. This is a decrease of $750,000 in the budget estimate and an increase of $50,000 over 1965 operations.

The Department of Agriculture has been studying marketing margins and other phases of the food industry for a number of years. At the present time it has over 1,000 employees in the Economic Research Service conducting economic research on agricultural production, marketing and distribution. A complete description of the information available from the research projects of this agency is contained in the hearings on the 1966 budget—Part 4, pages 518–539. This data indicates that studies are now going on within the Department on every possible aspect of the price spread between the farmer and the consumer. A total of 22 separate research projects in this area were conducted by the Department's economic research agency between March, 1964 and February, 1965. Six projects were completed during this period. Ten special publications on this subject were issued during this period by the Economic Research Service and four were published by State universities. Eleven articles were carried in USDA periodicals, four speeches and papers were presented, and 10 radio and television programs were given.

The Department's reports on studies of farm-retail spreads for food products covered beef, pork, lamb, poultry, butter, eggs, fruits and vegetables, bread and wheat, and other items in the farm-food market basket. Such reports also covered the various cost factors involved, including labor, transportation, and corporate profits.

The Committee agrees that the National Commission on Food Marketing can make a contribution to the farmer-consumer relationship, by using the information already available to arrive at conclusions and judgements, and by making these final determinations available to the general public. It feels, however, that a small and

highly skilled staff can accomplish this desirable result within the amount of funds recommended for this activity in the bill for 1966. The Department should cooperate fully in bringing together all available information for the use of the Commission. To the extent necessary, it should temporarily assign personnel to the Commission to assist in developing and assembling the basic data required.

Title V—General Provisions

The general provisions contained in the accompanying bill for fiscal year 1966 are essentially the same as those included in previous appropriation bills.

Section 501 authorizes the purchase of 464 passenger motor vehicles during fiscal year 1965. This will permit the replacement of 448 vehicles which have reached the Federal replacement standard of 6 years or 60,000 miles. It will also permit the purchase of 16 additional vehicles, 4 for the Agricultural Research Service, 10 for the Soil Conservation Service and 2 for the Statistical Reporting Service. At least 5 of the additional vehicles for the Soil Conservation Service should be used for the Watershed Protection program.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill:

On page 3, in connection with the Agricultural Research Service:

> *and in addition not to exceed $24,600,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88–250 to be transferred to and merged with this appropriation:*

On page 6, in connection with the Cooperative State Research Service:

> *and not to exceed $400,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88–250 to be transferred and merged with this appropriation, for grants for support of basic scientific research under the Act approved September 6, 1958 (42 U.S.C. 1891–1893);*

On page 18, in connection with the Special Foreign Currency Program:

> *Amounts heretofore appropriated under this head shall be available for payments in any foreign currencies owed to or owned by the United States.*

On page 32, in connection with the Federal Crop Insurance Corporation Fund:

> *Provided, That in the event the Federal Crop Insurance Corporation Fund is insufficient to meet indemnity payments and other charges against such Fund, such additional amounts as may be necessary may be borrowed from the Commodity Credit Corporation under such terms and conditions as the Secretary may prescribe, but repayment of such amount shall include interest at a rate not less than the cost of money to the Commodity Credit Corporation for a comparable period.*

On page 32, in connection with the Commodity Credit Corporation:

Provided, That after June 30, 1964, the portion of borrowings from Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after June 30 of the fiscal year in which such losses are realized, shall not bear interest and interest shall not be accrued or paid thereon.

PERMANENT APPROPRIATIONS

Item	Appropriations, 1965	Budget estimates, 1966	Increase or decrease
Agricultural Marketing Service:			
Removal of surplus agricultural commodities (sec. 32)	$378,907,331	$390,000,000	+$11,092,669
Perishable Agricultural Commodities Act fund	895,000	953,000	+58,000
Total, Agricultural Marketing Service	379,802,331	390,953,000	+11,150,669
Agricultural Stabilization and Conservation Service: National Wool Act	87,769,762	31,499,000	−56,270,762
Total, permanent appropriations	467,572,093	422,452,000	−45,120,093

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1965 AND ESTIMATES AND AMOUNTS RECOMMENDED IN BILL FOR 1966

Item	Appropriations, 1965 (adjusted) [1]	Budget estimates, 1966	Recommended in bill for 1966	Bill compared with—	
				Appropriations, 1965	Estimates, 1966
TITLE I—GENERAL ACTIVITIES					
Agricultural Research Service:					
Salaries and expenses:					
Research	$122,599,000	[2] $116,892,000	[2] $114,394,000	−$8,205,000	−$2,498,000
Plant and animal disease and pest control	[3] 71,169,200	73,160,000	71,119,000	−50,200	−2,041,000
Total, salaries and expenses	[4] 193,768,200	[4] 190,052,000	[5] 185,513,000	−8,255,200	−4,539,000
Salaries and expenses (special foreign currency program)	2,000,000	4,000,000	2,000,000	----------	−2,000,000
Total, Agricultural Research Service	195,768,200	194,052,000	187,513,000	−8,255,200	−6,539,000
Cooperative State Research Service: Payments and expenses	49,997,000	[6] 52,367,000	[6] 51,695,000	+1,698,000	−672,000
Extension Service:					
Payments to States and Puerto Rico	71,919,000	72,800,000	72,800,000	+881,000	----------
Retirement costs for extension agents	7,510,000	7,857,000	7,857,000	+347,000	----------

Penalty mail	3,113,000	3,113,000	3,113,000		
Federal Extension Service	2,565,000	2,565,000	2,565,000		
Total, Extension Service	85,107,000	86,335,000	86,335,000	+1,228,000	
Farmer Cooperative Service	1,141,000	1,241,000	1,141,000		−100,000
Soil Conservation Service:					
Conservation operations	104,233,000	104,103,000	105,373,000	+1,140,000	+1,270,000
Watershed planning	5,721,000	5,721,000	5,721,000		
Watershed protection	61,020,000	67,171,000	64,171,000	+3,151,000	−3,000,000
Flood prevention	26,317,000	25,417,000	25,417,000	−900,000	
Great Plains conservation program	14,864,000	14,864,000	14,864,000		
Resouree conservation and development	1,813,000	4,303,000	2,813,000	+1,000,000	−1,490,000
Total, Soil Conservation Service	213,968,000	221,579,000	218,359,000	+4,391,000	−3,220,000
Economic Research Service: Salaries and expenses	10,922,000	11,366,000	11,072,000	+150,000	−294,000
Statistical Reporting Service: Salaries and expenses	11,866,000	13,595,000	13,595,000	+1,729,000	
Consumer and Marketing Service:					
Consumer protective, marketing, and regulatory programs	73,752,000	76,437,000	75,852,000	+2,100,000	−585,000
Payments to States and possessions	1,500,000	1,500,000	1,500,000		

See footnotes at end of table, p. 60.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

Item	Appropriations, 1965 (adjusted) [1]	Budget estimates, 1966	Recommended in bill for 1966	Bill compared with—	
				Appropriations, 1965	Estimates, 1966
TITLE I—GENERAL ACTIVITIES—Continued					
Consumer and Marketing Service—Con.					
Special milk program	[7] $51,500,000	$100,000,000	$100,000,000	+$48,500,000	----------
School lunch program	[8] 146,400,000	[8] 157,000,000	[8] 155,000,000	+8,600,000	−$2,000,000
Food stamp program	[9] 25,000,000	100,000,000	75,000,000	+50,000,000	−25,000,000
Total, Consumer and Marketing Service	298,152,000	434,937,000	407,352,000	+109,200,000	−27,585,000
Foreign Agricultural Service: Salaries and expenses	[10] 20,779,000	[10] 20,574,000	[10] 20,574,000	−205,000	----------
Commodity Exchange Authority	1,169,000	1,169,000	1,169,000	----------	----------
Agricultural Stabilization and Conservation Service:					
Expenses Agricultural Stabilization and Conservation Service	[11] 108,552,000	138,350,000	[11] 111,714,000	+3,162,000	−26,636,000
Sugar Act Program	[12] 96,000,000	95,000,000	95,000,000	−1,000,000	----------
Agricultural conservation program	225,000,000	220,000,000	220,000,000	−5,000,000	----------
Cropland conversion program	15,000,000	10,000,000	7,500,000	−7,500,000	−2,500,000

Conservation reserve program	194,000,000	150,000,000	140,000,000	−54,000,000	−10,000,000
Emergency conservation measures	[13] 14,000,000	4,000,000	4,000,000	−10,000,000	
Total, Agricultural Stabilization and Conservation Service	652,552,000	617,350,000	578,214,000	−74,338,000	−39,136,000
Rural Community Development Service	132,000	750,000	500,000	+368,000	−250,000
Office of Inspector General	10,116,000	10,961,000	10,416,000	+300,000	−545,000
Office of General Counsel	4,039,000	4,229,000	4,139,000	+100,000	−90,000
Office of Information	1,689,000	1,689,000	1,689,000		
National Agricultural Library:					
Salaries and expenses	1,599,000	1,865,000	1,599,000		−266,000
Library facilities		7,000,000	7,000,000	+7,000,000	
Office of Management Services	2,483,000	2,579,000	2,483,000		−96,000
General administration	3,553,000	3,848,000	3,553,000		−295,000
Total, title I, general activities	1,565,032,200	1,687,486,000	1,608,398,000	+43,365,800	−79,088,000
TITLE II—CREDIT AGENCIES					
Rural Electrification Administration:					
Loan authorizations:					
Electrification	[14] (365,000,000)	[15] (350,000,000)	[16] (350,000,000)	(−15,000,000)	
Telephone	[16] (70,000,000)	(97,000,000)	[16] (97,000,000)	(+27,000,000)	
Total, loan authorizations	(435,000,000)	(447,000,000)	(447,000,000)	(+12,000,000)	

See footnotes at end of table, p. 60.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

Item	Appropriations, 1965 (adjusted) [1]	Budget estimates, 1966	Recommended in bill for 1966	Bill compared with—	
				Appropriations, 1965	Estimates, 1966
TITLE II—CREDIT AGENCIES—Con.					
Rural Electrification Administration—Con.					
Salaries and expenses	$11,934,000	$11,934,000	$11,934,000	----------	----------
Total, Rural Electrification Administration	11,934,000	11,934,000	11,934,000	----------	----------
Farmers Home Administration:					
Rural housing grants and loans	----------	10,000,000	----------	----------	−$10,000,000
Direct loan account:					
Real estate loans	(60,000,000)	(40,000,000)	(40,000,000)	(−$20,000,000)	----------
Operating loans	[17] (300,000,000)	[17] (300,000,000)	[17] (300,000,000)	----------	----------
Total, direct loan account	(360,000,000)	(340,000,000)	(340,000,000)	(−20,000,000)	----------
Rural housing for domestic farm labor	----------	5,000,000	2,000,000	+2,000,000	−3,000,000
Rural renewal	1,200,000	3,000,000	1,200,000	----------	−1,800,000
Rural housing for the elderly revolving fund	5,000,000	5,000,000	2,500,000	−2,500,000	−2,500,000
Salaries and expenses	41,233,000	44,692,000	42,733,000	+1,500,000	−1,959,000

Total, Farmers Home Administration	47,433,000	67,692,000	48,433,000	+1,000,000	−19,259,000
Total, title II, credit agencies:					
Loan authorizations	(795,000,000)	(787,000,000)	(787,000,000)	(−8,000,000)	
Direct appropriation	59,367,000	79,626,000	60,367,000	+1,000,000	−19,259,000
TITLE III—CORPORATIONS					
Federal Crop Insurance Corporation:					
Administrative and operating expenses:					
Appropriation	7,478,000	8,478,000	7,478,000		−1,000,000
Premium income	(3,638,000)	(3,638,000)	(4,138,000)	(+500,000)	(+500,000)
Commodity Credit Corporation:					
Reimbursement for net realized losses	2,674,000,000	2,300,000,000	2,300,000,000	−374,000,000	
Limitation on administrative expenses	(37,351,000)	(36,650,000)	(36,650,000)	(−701,000)	
Public Law 480	2,317,453,000	1,658,000,000	1,658,000,000	−659,453,000	
International Wheat Agreement	81,838,000	27,544,000	27,544,000	−54,294,000	
Bartered materials for supplemental stockpile	92,860,000	52,500,000	30,000,000	−62,860,000	−22,500,000
Total, title III, corporations	5,173,629,000	4,046,522,000	4,023,022,000	−1,150,607,000	−23,500,000

See footnotes at end of table, p. 60.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

Item	Appropriations, 1965 (adjusted) [1]	Budget estimates, 1966	Recommended in bill for 1966	Bill compared with—	
				Appropriations, 1965	Estimates, 1966
TITLE IV—RELATED AGENCIES					
Farm Credit Administration: Limitation on administrative expenses	($2, 931, 000)	($2, 990, 000)	($2, 990, 000)	(+$59, 000)	----------
National Commission on Food Marketing	700, 000	1, 500, 000	750, 000	+50, 000	−$750, 000
Total, title IV, related agencies	700, 000	1, 500, 000	750, 000	+50, 000	−750, 000
APPALACHIAN REGIONAL DEVELOPMENT					
Agricultural Researeh Service: Salaries and expenses, Research	100, 000	----------	----------	−100, 000	----------
Cooperative State Research Service: Payments and expenses	300, 000	----------	----------	−300, 000	----------
Extension Service:					
Payments to States and Puerto Rico	717, 500	----------	----------	−717, 500	----------
Retirement costs for extension agents	32, 500	----------	----------	−32, 500	----------
Total, Extension Service	750, 000	----------	----------	−750, 000	----------

Soil Conservation Service:					
Conservation operations	1,575,000	----------	----------	−1,575,000	----------
Watershed planning	600,000	----------	----------	−600,000	----------
Watershed protection	10,220,000	----------	----------	−10,220,000	----------
Total, Soil Conservation Service	12,395,000	----------	----------	−12,395,000	----------
Economic Research Service: Salaries and expenses	300,000	----------	----------	−300,000	----------
Agricultural Stabilization and Conservation Service: Appalachian Region Conservation program	7,000,000	----------	----------	−7,000,000	----------
Farmers Home Administration:					
Salaries and expenses	325,000	----------	----------	−325,000	----------
Direct Loan Account	7,100,000	----------	----------	−7,100,000	----------
Rural Community Development Service: Salaries and expenses	50,000	----------	----------	−50,000	----------
Total, Appalachian Regional Development	28,320,000	----------	----------	−28,320,000	----------
Total appropriations:					
Title I—General activities	1,565,032,200	1,687,486,000	1,608,398,000	+43,365,800	−79,088,000
Title II—Credit agencies	59,367,000	79,626,000	60,367,000	+1,000,000	−19,259,000
Title III—Corporations	5,173,629,000	4,046,522,000	4,023,022,000	−1,150,607,000	−23,500,000

See footnotes at end of table, p. 60.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

Item	Appropriations, 1965 (adjusted) [1]	Budget estimates, 1966	Recommended in bill for 1966	Bill compared with—	
				Appropriations, 1965	Estimates, 1966
APPALACHIAN REGIONAL DEVELOPMENT—Continued					
Total appropriations—Continued					
Title IV—Related agencies	$700,000	$1,500,000	$750,000	+$50,000	−$750,000
Appalachia Regional Development	28,320,000			−28,320,000	
Grand total	6,827,048,200	5,815,134,000	5,692,537,000	−1,134,511,200	−122,597,000

[1] Includes funds for pay act costs appropriated in Second Supplemental Appropriation Act, 1965.
[2] In addition, transfer of $24,600,000 from section 32 proposed.
[3] Includes $650,000 for screw-worm eradication appropriated in Second Supplemental Appropriation Act, 1965.
[4] In addition, reappropriation of $1,000,000 proposed for special fund.
[5] In addition, reappropriation of $2,000,000 proposed for special fund.
[6] In addition, transfer of $400,000 from section 32 proposed.
[7] Plus $51,500,000 by transfer from sec. 32 funds.
[8] In addition, $45,000,000 transfer from sec. 32 funds authorized.
[9] Plus $35,000,000 by transfer from sec. 32 funds.
[10] In addition, $3,117,000 transfer from sec. 32 funds authorized.
[11] In addition, transfers from Commodity Credit Corporation provided as follows: Fiscal year 1965, $97,508,000; fiscal year 1966, $96,615,000.
[12] Includes $6,000,000 appropriated in Second Supplemental Appropriation Act, 1965.
[13] Includes $10,000,000 appropriated in Second Supplemental Appropriation Act, 1965.
[14] Includes $90,000,000 reserve authorization.
[15] Includes $65,000,000 reserve authorization.
[16] Includes $7,000,000 reserve authorization.
[17] Includes $50,000,000 reserve authorization.

Union Calendar No. 175

89TH CONGRESS
1ST SESSION

H. R. 8370

[Report No. 364]

IN THE HOUSE OF REPRESENTATIVES

MAY 20, 1965

Mr. WHITTEN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes; namely:

DEPARTMENT OF AGRICULTURE

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, marketing, nutrition and consumer use, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work: *Provided,* That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further,* That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further,* That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed $20,000, except for six buildings to be constructed or improved at a cost not to exceed $45,000 each, and the cost of altering any one building

during the fiscal year shall not exceed $7,500 or 7.5 per centum of the cost of the building, whichever is greater: *Provided further,* That the limitations on alterations contained in this Act shall not apply to a total of $100,000 for facilities at Beltsville, Maryland:

Research: For research and demonstrations on the production and utilization of agricultural products; agricultural marketing and distribution, not otherwise provided for; home economics or nutrition and consumer use of agricultural and associated products; and related research and services; and for acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed $100; $114,394,000, of which not to exceed $10,393,000 shall remain available until expended for construction, alteration, and improvement of facilities, without regard to limitations contained herein, and in addition not to exceed $24,600,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88–250 to be transferred to and merged with this appropriation: *Provided,* That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113 (a)) ;

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for

carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b–c), $71,119,000, of which $1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions: *Provided,* That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by any State of at least 40 per centum: *Provided further,* That, in addition, in emergencies which threaten the livestock or poultry industries of the country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for expenses in accordance with the Act of February 28, 1947, as amended, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts;

Special fund: To provide for additional labor, sub-

professional and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than $2,000,000 of the amount appropriated under this head for the previous fiscal year may be used by the Administrator of the Agricultural Research Service in departmental research programs in the current fiscal year, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments, in foreign currencies owed to or owned by the United States for market development research authorized by section 104(a) and for agricultural and forestry research and other functions related thereto authorized by section 104(k) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(a)(k)), to remain available until expended, $2,000,000: *Provided,* That this appropriation shall be available in addition to other appropriations for these purposes, for payments in the foregoing currencies: *Provided further,* That funds appropriated herein shall be used for payments in such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph: *Provided further,* That not to exceed $25,000 of

this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Cooperative State Research Service

payments and expenses

For payments to agricultural experiment stations, for grants for cooperative forestry research, for basic scientific research, and for facilities, and for other expenses, including $47,113,000 to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a–361i), including administration by the United States Department of Agriculture; $2,000,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a–582a–7); and not to exceed $400,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88–250 to be transferred and merged with this appropriation, for grants for support of basic scientific research under the Act approved September 6, 1958 (42 U.S.C. 1891–1893); $2,000,000 for grants for facilities under the Act approved July 22, 1963 (77 Stat. 90); $310,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and

$272,000 for necessary expenses of the Cooperative State Research Service, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $50,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); in all, $51,695,000.

Extension Service

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341–349), $71,230,000; and payments and contracts for such work under section 204(b)–205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623–1624), $1,570,000; in all, $72,800,000: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement and Employees' Compensation costs for extension agents: For cost of employer's share of Federal retirement and for reimbursement for benefits paid from the Em-

ployees' Compensation Fund for cooperative extension employees, $7,857,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, $3,113,000.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341–349), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, $2,565,000.

Farmer Cooperative Service

salaries and expenses

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451–457), and for conducting research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), $1,141,000.

Soil Conservation Service

conservation operations

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irriga-

tion and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soil; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, $105,373,000: *Provided,* That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed $2,500, except for one building to be constructed at a cost not to exceed $25,000 and eight buildings to be constructed or improved at a cost not to exceed $15,000 per building and except that alterations or improvements to other existing permanent buildings costing $2,500 or more may be made in any fiscal year in an amount not to exceed $500 per building: *Provided further,* That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further,* That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a–590f) in demonstration projects: *Provided further,* That this

appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $5,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service.

WATERSHED PLANNING

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001–1008), to remain available until expended, $5,721,000, with which shall be merged the unexpended balances of funds heretofore appropriated under this head: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $50,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

WATERSHED PROTECTION

For necessary expenses to conduct river basin surveys and investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and

changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001–1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), to remain available until expended, $64,171,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further,* That not to exceed $4,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

FLOOD PREVENTION

For necessary expenses, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701–709, 16 U.S.C. 1006a), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including funds for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $100,000 for em-

ployment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain available until expended; $25,417,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That not to exceed $200,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), $14,864,000, to remain available until expended.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development, and for sound land use, pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), $2,813,000, to remain available until expended: *Provided*, That not to exceed $1,000,000 of such amount shall be available for loans and related expenses under subtitle A of the Consolidated Farmers Home Administration Act of 1961, as

amended: *Provided further,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $50,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Economic Research Service

SALARIES AND EXPENSES

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; $11,072,000: *Provided,* That not less than $350,000 of the funds contained in this ap-

propriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further,* That this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further,* That not less than $145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

STATISTICAL REPORTING SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, $13,595,000: *Provided,* That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop: *Provided further,* That this appropriation shall be available

for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $40,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Consumer and Marketing Service

consumer protective, marketing, and regulatory programs

For expenses necessary to carry on services related to consumer protection, agricultural marketing and distribution, and regulatory programs, as authorized by law, and for administration and coordination of payments to States; and this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $25,000 shall be available for employment at rates not to exceed $75 per diem under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946; $75,852,000.

payments to states and possessions

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for mar-

keting activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $1,500,000.

SPECIAL MILK PROGRAM

For necessary expenses to carry out the Special Milk Program, as authorized by the Act of August 8, 1961 (7 U.S.C. 1446, note), $100,000,000.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act, as amended (42 U.S.C. 1751–1760), $155,000,000: *Provided,* That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further,* That $45,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act.

FOOD STAMP PROGRAM

For necessary expenses of the food stamp program pursuant to the Food Stamp Act of 1964, $75,000,000.

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(SECTION 32)

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for

(1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, and (3) not more than $2,924,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

Foreign Agricultural Service

salaries and expenses

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $35,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), $20,574,000: *Provided,* That not less than $255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further,* That, in addition, not to exceed $3,117,000 of the funds appropriated by

section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

Amounts heretofore appropriated under this head shall be available for payments in any foreign currencies owed to or owned by the United States.

Commodity Exchange Authority

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1–17a), $1,169,000.

Agricultural Stabilization and Conservation Service

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301–1393); Sugar Act of 1948, as amended (7 U.S.C. 1101–1161); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), *16(h)*, and 17 of the Soil Conservation and

Domestic Allotment Act, as amended (16 U.S.C. 590g–590q; 7 U.S.C. 1010–1011); subtitles B and C of the Soil Bank Act (7 U.S.C. 1831–1837, 1802–1814, and 1816); and laws pertaining to the Commodity Credit Corporation, $111,714,000: *Provided,* That, in addition, not to exceed $96,615,000 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed $34,874,000 under the limitation on Commodity Credit Corporation administrative expenses): *Provided further,* That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further,* That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101–1161),

$95,000,000, to remain available until June 30 of the next succeeding fiscal year.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g–590(o), 590p(a), and 590q), including not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, $220,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the programs of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Related Agencies Appropriation Acts, 1964 and 1965, carried out during the period July 1, 1963, to December 31, 1965, inclusive: *Provided*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now

designated as Wetland Types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior, Fish and Wildlife Service Circular 39, Wetlands of the United States, 1956: *Provided further,* That necessary amounts shall be available for administrative expenses in connection with the formulation and administration of the 1966 program of soil-building and soil- and water-conserving practices, including related wildlife conserving practices, under the Act of February 29, 1936, as amended (amounting to $220,000,000, excluding administration, except that no participant shall receive more than $2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further,* That not to exceed 5 per centum of the allocation for the current year's agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recom-

mendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current year's program $2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropria-

tions for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

CROPLAND CONVERSION PROGRAM

For necessary expenses to promote the conservation and economic use of land pursuant to the provisions of section 16(e) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590p), as amended, $7,500,000, to remain available until expended.

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831–1837, 1802–1814, and 1816), and to carry out liquidation activities for the acreage reserve program, to remain available until expended, $140,000,000, with which may be merged the unexpended balances of funds heretofore appropriated for soil bank programs: *Provided,* That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants.

EMERGENCY CONSERVATION MEASURES

For emergency conservation measures, to be used for the same purposes and subject to the same conditions as funds appropriated under this head in the Third Supplemental Appropriation Act, 1957, to remain available until expended, $4,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated for emergency conservation measures.

RURAL COMMUNITY DEVELOPMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Rural Community Development Service in providing leadership, coordination, liaison, and related services in the rural areas development activities of the Department, $500,000: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $3,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5

U.S.C. 574) and not to exceed $10,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), $10,416,000.

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, $4,139,000.

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, $1,689,000, of which total appropriation not to exceed $537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be available to be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Repre-

sentatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided,* That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $10,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

National Agricultural Library

salaries and expenses

For necessary expenses of the National Agricultural Library, $1,599,000: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $35,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

library facilities

For construction and furnishing of facilities for the National Agricultural Library, to remain available until expended, $7,000,000, with which shall be merged the

unexpended balance of funds heretofore appropriated under this head.

Office of Management Services

salaries and expenses

For necessary expenses to enable the Office of Management Services to provide management support services to selected agencies and offices of the Department of Agriculture, $2,483,000.

General Administration

salaries and expenses

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, including expenses of the National Agricultural Advisory Commission; repairs and alterations; and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, $3,553,000: *Provided,* That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C. 1001) : *Provided further,* That not to exceed $2,500 of this amount shall be available for official reception

and representation expenses, not otherwise provided for, as determined by the Secretary.

TITLE II—CREDIT AGENCIES

Rural Electrification Administration

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901–924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act, as follows: Rural electrification program, $350,000,000, of which $65,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone program, $97,000,000, of which $7,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural telephone program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed $500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $150,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), $11,934,000.

Farmers Home Administration

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335(a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, $40,000,000; and operating loans, $300,000,000, of which $50,000,000 shall be placed in reserve to be used only to the extent required during the current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program.

RURAL HOUSING FOR DOMESTIC FARM LABOR

For financial assistance to public nonprofit organizations for housing for domestic farm labor, pursuant to section 516

of the Housing Act of 1949, as amended (78 Stat. 796–798), $2,000,000, to remain available until expended.

RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, $1,200,000, to remain available until expended.

RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

For loans pursuant to section 515(a) of the Housing Act of 1949, as amended (42 U.S.C. 1485), including advances pursuant to section 335(a) of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1985) in connection with security for such loans, $2,500,000.

SALARIES AND EXPENSES

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, title V of the Housing Act of 1949, as amended (42 U.S.C. 1471–1484), and the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440–444); $42,733,000, together with not more than

$2,250,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farmers Home Administration Act of 1961, as amended, and section 514(b)(3) of the Housing Act of 1949, as amended: *Provided*, That, in addition, not to exceed $500,000 of the funds available for the various programs administered by this Agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) to meet unusual or heavy workload increases: *Provided further*, That no part of any funds in this paragraph may be used to administer a program which makes rural housing grants pursuant to section 504 of the Housing Act of 1949, as amended.

TITLE III—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the

budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, $7,478,000.

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed $4,138,000 of administrative and operating expenses may be paid from premium income: *Provided,* That in the event the Federal Crop Insurance Corporation Fund is insufficient to meet indemnity payments and other charges against such Fund, such additional amounts as may be necessary may be borrowed from the Commodity Credit Corporation under such terms and conditions as the Secretary may prescribe, but repayment of such amount shall include interest at a rate not less than the cost of money to the Commodity Credit Corporation for a comparable period.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

To partially reimburse the Commodity Credit Corporation for net realized losses sustained but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a–11, 713a–12), $2,300,000,000: *Provided,* That after June 30, 1964, the portion of borrowings from Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after June 30 of the fiscal year in

which such losses are realized, shall not bear interest and interest shall not be accrued or paid thereon.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided,* That not to exceed $36,650,000 shall be available for administrative expenses of the Corporation: *Provided further,* That $945,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further,* That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further,* That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.

PUBLIC LAW 480

For expenses during fiscal year 1966, not otherwise recoverable during such year, and unrecovered prior years' costs, including interest thereon, under titles I, II, and IV of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701–1709, 1721–1724, 1731–1736) $1,658,000,000, to remain available until expended for (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said Act, and (3) long-term supply contracts pursuant to title IV of said Act.

INTERNATIONAL WHEAT AGREEMENT

For expenses during fiscal year 1966 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641–1642), $27,544,000, to remain available until expended.

BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

For expenses during fiscal year 1966 and unrecovered prior years' costs related to strategic and other materials acquired as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540. Eighty-

fourth Congress (7 U.S.C. 1856), $30,000,000, to remain available until expended.

TITLE IV—RELATED AGENCIES

Farm Credit Administration

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $2,990,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

National Commission on Food Marketing

SALARIES AND EXPENSES

For necessary expenses of the National Commission on Food Marketing, established by Public Law 88–354, approved July 3, 1964, $750,000.

TITLE V—GENERAL PROVISIONS

Sec. 501. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed four hundred and sixty-four (464) passenger motor vehicles, of which four hundred and forty-eight (448) shall be for replacement only, and for the hire of such vehicles.

Sec. 502. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment

under the appropriation for the Foreign Agricultural Service.

SEC. 503. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

SEC. 504. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

SEC. 505. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 506. Not less than $1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621–1629; 42

U.S.C. 1891–1893), shall be available for contracting in accordance with said Acts.

This Act may be cited as the "Department of Agriculture and Related Agencies Appropriation Act, 1966".

Union Calendar No. 175

89TH CONGRESS
1ST SESSION

H. R. 8370

[Report No. 364]

A BILL

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

By Mr. WHITTEN

MAY 20, 1965

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250
Official Business Postage and Fees Paid
U. S. Department of Agriculture

OFFICE OF BUDGET AND FINANCE
(For information only; should not be quoted or cited)

Issued May 27, 1965
For actions of May 26, 1965
89th-1st.; No. 95

CONTENTS

Adjournment.....22
Aging.....18
Agricultural appropriations.....2
Agricultural exports.....1
Appropriations.....1,8,9
Arkansas River.....7
Banking.....23
CCC storage.....1
Coffee.....38
Cotton.....15
Dairy program.....4,24
Economic development....12
Economics.....23
Economy.....17
Education.....20,34
Electrification.....29
Feed grain.....1,37
Food additives.....5
Food stamps.....1
Foreign trade.....21,30
Forest Service.....2,9,10
Holiday.....32
Loans.....20
Marketing.....21
Meat inspection.....26,35
Meat products.....35
Natural beauty.....3
Nominations.....11
Opinion poll.....27
Patents.....14
Personnel.....1,6,10
Public works.....12
Political activity.....1
Price support.....1
Property.....10
Public debt.....31
Ragweed.....28
Reclamation.....36
Research.....14,28
Retirement.....6
School lunch.....33
Senior citizens.....18
Soil conservation programs.....13
Soybeans.....25
Textile labeling.....16
Tobacco.....1
Transportation.....19
Veterans' benefits.....20

HIGHLIGHTS: House passed agricultural appropriation bill. Rep. Quillen claimed Forest Service unfair in claim on constituent. Senate passed Interior appropriation bill, including Forest Service. Senate debated proposed Public Works and Economic Development Act. Sen. Williams, Del., submitted and discussed measure to authorize investigation of meat inspection.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1966. Passed, 354-41, with amendments this bill, H. R. 8370. pp. 11199-257, 11259-60, 11296

   Agreed to the following amendments:

   By Rep. Whitten, to increase the food stamp program from $75,000,000 to $100,000,000. pp. 11243-4

   By Rep. Natcher, to restore the $295,000 cut below the budget for general administration. pp. 11244-5

   Rejected the following amendments:

   By Rep. Findley, to provide that no part of the appropriation shall be used during fiscal year 1966 to finance the export of any agricultural commodity

to the United Arab Republic or Indonesia under Public Law 480 (pp. 11245-6). This amendment was later rejected again in a vote on a motion to recommit, 187-208 (p. 11255).

By Rep. Michel, 41-105, to prohibit use of funds to formulate or carry out a feed grain program under which the total amount of payments would be in excess of 20% of the fair market value of acreage diverted. pp. 11248-9

By Rep. Dingell, to prohibit use of funds for tobacco price supports. pp. 11249-51

By Rep. Dingell, to prohibit price-support individual payments over $50,000. pp. 11252-5

The following amendments were submitted but were stricken on points of order:

By Rep. Casey, to prohibit payment of CCC storage when charges have not been determined by competitive bidding. p. 11246

By Rep. Michel, to prohibit individual payments totaling over $30,000 for price-support and related programs. pp. 11247-8

Rep. Nelsen submitted but withdrew an amendment to prohibit payment of any USDA personnel guilty of violating the Hatch Political Activities Act or the Corrupt Practices Act. p. 11255

2. FORESTRY. Rep. Quillen claimed the Forest Service was being unfair to one of his constituents in connection with a claim for real property. pp. 11271-5

3. NATURAL BEAUTY. Received from the President four proposed bills designed to help make the Nation's roads and highways available for enjoyment of nature and beauty (H. Doc. 191); to Public Works Committee. p. 11299

4. DAIRY PROGRAM. Received from GAO a report of "additional costs incurred under the dairy products price-support program by purchasing butter outside the general areas of production, Commodity Credit Corporation"; to Government Operations Committee. p. 11299

5. FOOD ADDITIVES. The Interstate and Foreign Commerce Committee reported without amendment H. R. 7042, to amend Sec. 402 (d) of the Federal Food, Drug, and Cosmetic Act regarding use of additives in confectionery (H. Rept. 376). p. 11300

6. RETIREMENT. A subcommittee of the Post Office and Civil Service Committee voted to report to the full Committee H. R. 8469, "which basically grants a 10-percent increase to those people who have retired before October 1, 1956, and a 5-percent increase to those people who have retired after that date. p. D450

7. ARKANSAS RIVER. Rep. Steed inserted the address of Deputy Budget Director Staats at the dedication of the Keystone Dam. pp. 11284-5

8. STATE-JUSTICE-COMMERCE APPROPRIATION BILL. The Appropriations Committee was given until midnight tonight (May 27) to report this bill. p. 11257

SENATE

9. DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATIONS BILL, 1966. Passed, 77-0, with amendments this bill, H. R. 6767, which includes amounts for the Forest Service as shown on table attached to Digest 76 (pp. 11347-50, 11359, 11363-4). Conferees were appointed (p. 11364).

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 89th CONGRESS, FIRST SESSION

Vol. 111 WASHINGTON, WEDNESDAY, MAY 26, 1965 No. 95

House of Representatives

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., used this beatitude, Matthew 5:9: *Blessed are the peacemakers: for they shall be called the children of God.*

Almighty God, at a time of high and holy memory we worship and bow down in humility and in longing, acknowledging that hitherto Thou hast led us through days of darkness and confusion.

We recall with praise and gratitude the heroism of men and the fortitude of women in a time of terror and trial, enduring with valor, suffering with patience, and many giving their last full measure of sacrifice and devotion that a better day might dawn for humanity.

Grant that upon our minds and hearts and that of men everywhere a nobler spirit and a wider vision may come to rule our thoughts into the ways of peace and righteousness and good will and a love that fulfills itself in the friendship and fraternity.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 199. An act to amend the Watershed Protection and Flood Prevention Act, as amended.

CORRECTION OF THE RECORD

Mr. BYRNE of Pennsylvania. Mr. Speaker, in yesterday's RECORD—A2640—I had included some remarks regarding the death of Fire Commissioner Hink, of Philadelphia. In this article there appeared a rather serious typographical error in the second sentence of the second paragraph. I ask unanimous consent to have this article reprinted with the following correction:

He rapidly rose to deputy commissioner, which position he held with honor until the retirement of Commissioner Frank L. McNamee just about a year ago.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CALL OF THE HOUSE

Mr. BOW. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOLAND. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 111]

Anderson, Ill.	Hansen, Idaho	Randall
Andrews, George W.	Harvey, Ind.	Resnick
Ashbrook	Hathaway	Roncalio
Bandstra	Hébert	Scheuer
Berry	Holland	Shipley
Bonner	Landrum	Sisk
Brown, Ohio	Lennon	Skubitz
Buchanan	Lindsay	Springer
Clawson, Del	Long, Md.	Teague, Tex.
Conyers	McCarthy	Toll
Flynt	Mathias	Weltner
Hagen, Calif.	Pool	White, Idaho
Hanna	Powell	Willis
	Price	

The SPEAKER. On this rollcall, 393 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1966

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not more than 3 hours, the time to be equally divided and controlled by the gentleman from Illinois [Mr. MICHEL] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8370, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Mississippi [Mr. WHITTEN] will be recognized for 1½ hours, and the gentleman from Illinois [Mr. MICHEL] will be recognized for 1½ hours.

The Chair recognizes the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, I yield myself 29 minutes.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman and Members, once again we bring you the appropriation bill for the Department of Agriculture for the coming fiscal year.

As Members have heard me point out in recent years, sometimes it helps us to realize what a problem we face in dealing with this subject to know that only about 7 percent of the American people are directly engaged in agriculture. Viewed another way, what we are doing here is dealing with a program which is perhaps the most important to the American consumer of all programs which come before the Congress.

The bill provides funds for the general operations of the Department, including various activities such as research, disease and pest control, extension, soil and water conservation, marketing services, meat and poultry inspection, agricultural credit, crop insurance, the Commodity Credit Corporation, Public Law 480 and other foreign assistance programs.

The bill includes total appropriations of $5,692,537,000 for these purposes in

the coming year, a reduction of $122,597,000 in the budget requests which total $5,815,134,000. The amount proposed is $1,134,511,200 less than appropriated for fiscal year 1965.

BUDGET AND MANPOWER CONSIDERATIONS

For the second straight year the Department of Agriculture received a major budget reduction. While total new obligational authority proposed for the entire Federal Establishment is approximately the same for 1966 as for 1965, the 1966 budget request for the Department is more than $1 billion less than appropriated for fiscal year 1965.

In view of this extremely tight executive budget, further reductions by the committee have been nominal. The principal committee reductions have been in the administrative expenses of the Agricultural Stabilization and Conservation Service, the barter program, the Farmers Home Administration, and food stamp program. It was felt that some of the increases requested could be foregone and further cuts could be made in the interest of closer fiscal administration.

One of the factors considered by the committee in preparation of the accompanying bill was the large number of employees already employed by the Department and the need to reduce to a minimum further expansion of its payrolls, particularly in Washington. As of the end of February 1965, the paid employment in Washington and in the field was 96,589, including 2,250 temporary and 16,985 part-time and intermittent employees. These figures include 24,469 for the Forest Service, which is not provided for in this bill.

The increases recommended by the committee for the coming fiscal year in certain of the regular continuing programs of the Department will permit an increase of 300 man-years for increased meat and poultry inspection, 200 man-years to meet the additional workload of new and expanded programs of the Farmers Home Administration, and 60 man-years to enable the Federal crop insurance program to expand into 100 additional counties next year, as contemplated by basic law. Thus of 1,006 additional man-years requested, the committee has approved a net of only 539. These three major increases, plus small increases for certain other programs, are partially offset by proposed personnel decreases in several agencies. For example, through improved efficiency, the Agricultural Stabilization and Conservation Service expects to reduce its personnel by 191 man-years next year. None of the manpower increases allowed in this bill should require any expansion of the total number of employees in Washington beyond the total provided for fiscal year 1965.

COST-PRICE SQUEEZE

Since World War II, the economic position of the agricultural producer had declined steadily. While the gross national product of the Nation has increased from $214 billion in 1945 to $622 billion in 1964, while annual per capita nonfarm income has increased from $1,164 to $2,181 during this period, while average gross hourly earnings for factory workers have gone up from $1.02 to $2.54, and while the cost of food has gone down from 22.7 to 18 percent of consumer income—compared to 50 percent or more in much of the rest of the world—the farmer's share of the consumer food dollar has declined from 52 to 37 cents, and his return on labor, management, and investment has decreased from 21.2 percent to 8.2 percent.

Many factors have contributed to this constantly increasing economic squeeze on the farmer. Numerous freight rate increases on farm products approved by the Interstate Commerce Commission since 1946 have doubled transportation costs. Minimum wage guarantees and bargaining rights have doubled labor costs. Average farm wage rates have increased from 42.7 cents per hour in 1945 to 90.4 cents in 1964. Increased interest on farm debt and increased taxes on land have also contributed significantly to farm expenditures. Farm machinery, motor vehicles, building materials, and other items necessary for farm production have increased by 100 to 150 percent.

INCREASED FARM INVESTMENT NECESSARY

In addition to increased wages and other expanded production costs, there has been a significant increase in interest on farm debt and taxes on farmland. This is due to several factors.

First, the average investment required to provide a minimum living on the farm has increased nearly fivefold, from $11,487 in 1945 to $54,791 today. Commercial farms must have modern equipment, pesticides, fertilizers, and seed to meet present day competition. They must also have sufficient land to justify the use of machinery and equipment and to produce a sufficient quantity of output to provide a reasonable income at reduced margins of profit. Modern production requirements have increased farm debt from $7.6 billion in 1945 to $33 billion in 1964.

Second, the cost of farmland continues to increase due to urban and industrial expansion, speculative investment by nonfarm purchasers, and the increase in size of farms as mentioned above. It should be noted, however, that current values of such land are not based on earnings from agricultural production, since net farm income as related to investment has gone down from 21.2 percent in 1945 to 8.2 percent in 1964.

COMMERCIAL FARMER ESSENTIAL TO CONSUMER

There are some who suggest from time to time that price supports and other farm programs should be abandoned and that the large commercial farmers should be left to compete on world markets with foreign low-cost agriculture.

A careful review of the facts outlined above reveals the fallacy of such proposals. A full understanding of the place of agriculture in the national economy makes it apparent that commercial producers cannot sell at low world price levels commodities which are produced at much higher American levels of cost. Such producers cannot buy at retail prices and sell at wholesale prices and stay in business very long. The real losers would be the consumers they supply and labor and industry for which agriculture is one of the biggest markets. They must have some form of minimum price guarantee, which is adjusted to the level of production costs they must meet.

Department of Agriculture reports indicate that about 27 percent of the Nation's producers—those with annual gross sales of $10,000 or more—account for some 80 percent of the U.S. agricultural production. These nearly 1 million commercial farmers are the ones to which the consumers must look for the dependable and plentiful supply of high-quality and low-cost food and fiber.

Despite the fact that surplus quantities of certain commodities have been produced in recent years because of the efficiency of agricultural production, it is important to note that supplies on hand are sufficient to meet domestic needs for only a short period of time in the event of a national emergency. For example, the 900 million bushels of wheat now on hand would meet domestic needs and dollar exports for about 1 year or, if necessary, they would meet domestic needs alone for nearly 2 years if exports were discontinued. The 1.2 billion bushels of corn on hand represent only a 3 to 4 months' supply for domestic use and export. The 13.6 million bales of cotton in stock would meet the normal annual domestic demand of 9 million bales, plus 1 year's export supply. For dairy products, the 5.2 billion pounds is only 5 percent of a full year's supply.

SMALLER FARMS MUST BE PRESERVED

Those who advocate the abandonment of farm price supports, also suggest that the 2.5 million small farmers (those with annual gross income of less than $10,000) should be guaranteed a minimum income under some form of welfare program until such time as they can be retrained and absorbed into other occupations.

Such suggestions are obviously undesirable. The elimination of small family farms as a part of our national existence would seriously increase our social and welfare problems in every urban area in the United States.

Further, with a surplus of labor in most metropolitan centers, the opportunities for small farmers to earn a living in nonfarm activities are extremely limited, if not practically nonexistent. Retraining of farm people for other lines of work is at best a long-range effort. This offers no solution to the problem in the immediate future, particularly for the large number of farm dwellers who are beyond the age where retraining is feasible.

CONTINUATION OF FARM PROGRAMS NECESSARY

It is apparent, therefore, that the only practical approach to the farm problem is to continue programs which will make it possible for the present 3.5 million farmers to earn a living on the farm. Minimum price supports, adequate short- and long-term credit, continued research and technical assistance, and other farm programs must be continued if American agriculture is to maintain its place in the Nation's economy and if the American consumer is to continue to enjoy the bountiful supply of nutritious, healthful, and inexpensive food now available to him. It is interesting to

note that three times as many people are engaged in processing and marketing of farm products as in the production of such commodities.

During his appearance before the committee on March 19, 1965, the Secretary of Agriculture summarized the present agricultural situation as follows:

It is time to set the record straight, and here are basic facts: The consumer should know that since 1950 the cost of medical care has jumped 63 percent. Our consumers are paying 52 percent more for professional services than they did in 1950, and 38 percent more for transportation. Yet, farm prices—the prices that farmers receive from what they sell—are lower now than in 1950. While Americans are paying 63 percent more for medical care, 52 percent more for professional services, and 38 percent more for transportation, our farmers are receiving 15 percent less for their products than they did 15 years ago.

What if the farmer were charging 63, or 52, or even 38 percent more? We would be eating less, and at the same time would be shifting money now being spent for the products of factories and for services into food.

Rather than the consumer-taxpayer subsidizing the farmer, the contrary is true.

* * * * *

Those who want to end commodity programs point out that today many farmers with adequate resources—land, capital, and equipment—enjoy an adequate income, and therefore do not need the income support of farm programs. Yet, fewer than 400,000 farmers earn a parity of income—an income equal to the wages of skilled labor. Over 2.5 million farmers do not even earn the minimum wage.

To me these facts simply mean that farm income is today very inadequate, for only about 1 out of 10 farmers get close to parity of income; most farmers do not even begin to earn this level of income.

Further, if commodity programs were discontinued, the decline in farm income would be so drastic as to pull even the most efficient farmer to below poverty income levels.

The impact would not be felt by farmers alone. The massive industrial complex which stands behind the modern farmer would be hit just as hard, if not harder.

BENEFITS TO GENERAL PUBLIC

The many programs of the Department of Agriculture benefit all segments of the national economy. The Department conducts as many or more services for the consumer and general public as any other Federal department. Such items as meat and poultry inspection, grading and inspection of other food items, marketing and utilization research, human nutrition and home economics research, school lunch and special milk programs, food stamp and direct distribution programs, and the various foreign assistance programs have direct benefits to consumers, businessmen and the general public. Expenditures for soil and water conservation and related research are an investment in our future natural resources, which benefits the entire Nation rather than farmers alone. Rural electrification and telephone programs benefit all rural consumers as well as farmers. Commodity Credit Corporation price-support expenditures include interest, transportation of commodities, and warehouse storage charges, which do not go to farmers and ranchers.

Figures furnished by the Department of Agriculture indicates that about 61 percent of all funds expended in 1964 were for programs which provided substantial benefits to nonfarm people. The comparable figure for 1965 is 67 percent.

GENERAL DEMAND FOR AGRICULTURAL RESEARCH FINDINGS

The demand for information developed by the research programs of the Department of Agriculture has grown significantly through the years. Such information is being used more and more by nonfarm people in connection with the operation of their homes and properties and the choice of their food and clothing.

Much of the information on these subjects carried throughout the Nation in magazines, newspapers, periodicals, as well as on radio and television, comes from Department of Agriculture bulletins, technical publications, and other releases. Many of the new developments in processing, packaging and marketing food products adopted by private organizations come from patents obtained by the Department and made available to all who may be interested.

About 11 million copies of popular research publications are distributed by the Department each year. The agricultural press, with a circulation of 22 million, and the specialized publications of trade organizations and industry regularly carry USDA research reports for their readers.

Industry representatives learn of scientific developments through USDA-sponsored conferences and meetings, and through research reports and consultation with scientists. For example, about 5,000 visitors obtain technical information at Agricultural Research Service utilization laboratories each year.

Like farmers, consumers also turn to Department publications for research information. To meet consumer demands for research knowledge, the Department makes information available to press associations, newspapers, and magazines, and free-lance writers. Research reports also go to women's page and food editors weekly, and the Department works closely with consumer organizations. Consumers are also reached by radio and television, motion pictures, and exhibits.

Despite this popular acceptance of USDA research findings and the wide use of such information, the general public frequently fails to understand and support the agricultural programs of the Department. The consumers fail to appreciate the reasons why they have the finest and lowest cost food of any nation on earth.

The record of the Department in this field is even more remarkable when it is realized what a small portion of Federal research funds are used for agricultural research. In 1935—just 30 years ago—approximately one-half of the Federal research budget went to the Department of Agriculture. In 1965, agricultural research represents only 1.5 percent of total Federal research expenditures.

For less than 6 percent of your national budget you are taking care of the basic things, including the protection of the health of the American people. Yet, of this less than 6 percent, a large percentage goes to school lunch, to the food stamp program, to meat inspection, and many other things that are required in order to be sure that the food we all eat is nutritious.

I might say at this point many questions have been raised about the food stamp plan. Your committee will offer an amendment later to restore funds for the food stamp plan. It is my personal opinion that this food stamp money is not apt to be fully used by the Department of Agriculture. But I do know many, many people are very much interested in the program. It has proven to be sound and the recipients are required to pay about two-thirds of the cost of the food received. So while the funds are not apt to be fully required, I do feel in those cases where it is desired and where it can be done that it will be in the public interest to do so.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. Did the gentleman say it will help us be certain that our food is wholesome, or did I misunderstand him?

Mr. WHITTEN. You know, the term "wholesome" is a broad term. I just say that we spend tremendous amounts of money and the efforts of many people in the attempt to see that the food we buy in America is determined to be nutritious and wholesome.

Mrs. BOLTON. Speaking especially feelingly this morning, may I say that we had boiled eggs this morning for breakfast and they tasted so of fish because the chickens had eaten it and because they are fed so many funny things that we had to change the menu.

Mr. WHITTEN. Right now I think we have direct control over a good many things in Government, including agriculture, but I do not know that the Government is yet ready to get into that field. We certainly have not tried to here. However, I must say that taste is one thing and health is another. We do try to see that the food is nutritious and that the health of the consumers is protected, even though the gentlewoman might not like the taste of some things as much as others. I can only say that the Department makes every effort to see the program is properly run and that all of the protection possible is given.

Mr. BOLTON. I thank the gentleman very much.

COMPETITIVE EXPORT SALES NECESSARY

Mr. WHITTEN. For the past 15 years, the committee has done everything possible to encourage and require exportation of U.S. agricultural commodities and has continued to insist that such commodities be offered continuously in world markets on a competitive basis. During those years when U.S. commodities have been kept competitive, export sales have increased substantially and the pressure of surpluses has been removed from the domestic markets.

Despite unlimited authority to sell competitively in world markets, the Department's failure to sell competitively in the early 1950's caused CCC commodity inventories to increase from $1 billion as of June 30, 1952, to $5 billion as of June 30, 1955. During this period, CCC holdings of cotton increased from $418,000 to $1.2 billion.

In 1955, at the insistence of this committee, the first cotton was offered for sale abroad for dollars on a competitive basis and 1 million bales were sold in a few weeks. Subsequently 7 million bales were sold soon after offered. Then in 1956, despite this most satisfactory experience, the Department took steps to again hold U.S. cotton off world markets. This caused Congress to enact the Export Sales Act of 1956 requiring sales for dollars to regain and retain the U.S. historical share of world markets.

Notwithstanding this legislation, the Department in 1958 again refused to offer cotton at competitive prices, which the Comptroller General ruled to be a violation of the 1956 Export Sales Act. Cotton exports again dropped—from 7.6 million bales in 1956 to 2.8 million bales in 1958. This action cost the CCC and the American taxpayers hundreds of millions of dollars and did great damage to U.S. cotton producers.

In 1959, under increased pressure from Congress, competitive sales were reinstituted and exports again increased—to a level of 6.5 million bales in 1959. Despite the outstanding success of the competitive sales program each time it has been used, however, the Department continues to favor the export "payment-in-kind" approach, which has not been effective and which has been extremely costly to the Government.

The history of our export programs clearly demonstrates that the payment-in-kind program is not a satisfactory substitute for competitive sales abroad. Like most exporting nations of the world, we should sell what we produce and don't need for what it will bring in the world markets. Past experience has shown that, when buyers have the opportunity to support world prices by their bids, markets throughout the world are strengthened and commodities flow freely through the normal channels of trade. Loss of markets to our competitors has proved the dangers of an artificial price umbrella over world markets fixed by a governmental agency.

The Export Sales Act of 1956 referred to above also requires the Secretary of Agriculture to establish an export goal at the beginning of each year and, in the opinion of the Committee, requires him to announce such figure to the public. No such goals have been announced in recent years, despite the provisions of the law. This has had a depressing effect on U.S. exports. While the historical U.S. share of the world cotton market is around 6 million bales annually and while the law requires the export of this amount, cotton exports dropped to 3.3 million bales in 1962, 5.66 million bales in 1963, and 4.4 million bales in 1964. If the United States had maintained its fair share of world markets for the last 3 years supplies on hand would be almost 5 million bales less.

In view of these factors, the committee insists that the Department, first, return to offering commodities for sale on a competitive bid basis; second, make payment-in-kind payments from commodity stocks in lieu of cash payments, and, third, conform to the Export Sales Act of 1956 by announcing to the world the quantity of cotton the United States will sell each year on world markets. The same policy would be good for other commodities. These exports should be from private stocks and handled through private channels where possible and from Government stocks where necessary. The Commodity Credit Corporation should maintain the right to determine when and how much to offer at various times during the year to reach the total goal. The committee is convinced that only in this way can American agriculture and the cotton industry be protected and enabled to retain its export business.

During October 1956, the committee discussed these matters with numerous business representatives and importers in Europe. The opinions and information gathered fully supported the position taken through the years by the committee on competitive sales and advance announcement of U.S. offierings. Excerpts from the report of this study made in 1956 are quoted below:

LOSS OF U.S. MARKETS IN EUROPE

We found a general concern among these people about the loss of U.S. markets in Europe since World War II. The men from Belgium pointed out that American exports of cotton to their country have decreased from 60 percent of total imports before the war to 3 percent at the present time. Others pointed out a similar situation in most countries of Europe. We found that the U.S. products are preferred at comparable or slightly higher prices because of better quality and more dependable deliveries, but that in recent years, U.S. prices have been held too high to compete in world markets despite the natural preference for U.S. products.

According to our information, the loss of U.S. markets in Europe is due to: First, refusal by the United States until recently to sell competitively; second, the improved transportation and communications with all parts of the world since the last war, making trade with the Near East, Africa, and South America easier; and third, the increased quantity and improved quality of products from other countries.

NEED FOR UNITED STATES TO REENTER WORLD MARKETS

In all cases, the business representatives contacted were realistic and practical and very adept at presenting their own points of view. At the same time, we found them fully aware of the U.S. problems and pleased with U.S. efforts to get back into world trade on a competitive basis. It was generally agreed that world trade will never return to normal as long as large amounts of U.S. surpluses are hanging over the market. It was pointed out that the general practice in recent years has been to buy in small amounts and to keep consumer inventories at a minimum. This has had the undesirable effect of putting importers and fabricators on a hand-to-mouth basis of operation. Normal long-range purchasing practices have been virtually discontinued.

During these meetings, it was found that foreign traders in cotton are most anxious that the United States give the world assurances that it will continue to produce and offer in world markets not less than 5 to 5½ million bales annually. They want to know that the United States will be a firm source of supply. At present, they are afraid this country is cutting acreage back so far it will not have the cotton to sell. They are especially fearful that the new soil-bank plan will lead to further cuts in U.S. acreage. If our Government will recognize this, it will mean additional cotton acreage for U.S. farmers. This is highly essential to U.S. farmers and to the world cotton trade as well.

We were told that the world has a real interest in American production for export because American varieties are much more consistent and the world is glad to deal with American exporters and American people. They know the average American export firm is solvent, that if commitments are made, delivery will be made. On the other hand, all world traders are skeptical of having to import supplies from other countries, because those engaged in export trade from other countries are not always solvent and dependable, and the quality of the product may vary greatly.

SHOULD ANNOUNCE ANNUAL EXPORT QUOTAS

It was also found that trade groups feel that the United States should accept the best compeitive bids at whatever price received. They feel that the Secretary of Agriculture should announce at the beginning of each year the approximate quantity of each commodity which the United States plans to offer during the year for export at competitive prices. They pointed out that the two factors which every dealer must know are quantity available and potential demand.

In recent years, the quantity element has been very uncertain in all world markets because of U.S. policies. They feel that annual announcements of U.S. exports would provide considerable stability to world markets. They also feel that such plan would result in higher returns to the United States for commodities sold than would efforts to control prices directly.

It is our belief that the Department of Agriculture should announce that it intends to produce and offer in world markets on a competitive basis from 5 to 5½ or 6 million bales of cotton annually. Under this plan, purchasers would regulate the price through the amount of their bids and the United States would avoid much international criticism. This action might also result in higher returns for U.S. cotton. We are of the opinion, further, that this same approach should be considered with regard to other farm commodities.

SALES PROGRAM MUST BE STRENGTHENED

In view of the factors outlined above, in 1956, this Committee created a special position of sales manager and directed the Department to set up a sales orga-

nization within CCC to undertake a more aggressive sales program. The Committee was convinced that this $14.5 billion Corporation could not continue to purchase increasing quantities of commodities each year under its price support operation, unless more attention was given to the sale of commodities on hand.

Pursuant to this action, a sales organization was established within the CCC and a sales manager was appointed. It was never permitted to operate freely, however, and its potential was never realized. Further, several years ago it was transferred to the Foreign Agricultural Service where it was brought under those who deal with international pressures. Its effectiveness has been extremely limited, due to numerous layers of supervision, and because of certain international policies which frequently ignore the interests of U.S. agricultural producers.

In the opinion of the members of the Committee it is absolutely imperative that U.S. commodities be kept on world markets at competitive prices. American agriculture is dependent on the export market for an outlet for the production from 1 out of every 4 acres of U.S. cropland. Further, agricultural exports account for 20 to 25 percent of our foreign exchange earnings each year, a significant factor in relation to our present balance-of-payments deficit.

The Committee recommends therefore, that the Secretary reorganize and strengthen the Department's sales program by first, bringing in additional directors for the Commodity Credit Corporation who have had prior business and industrial experience, and second, relocating the sales manager in the departmental structure to give him more independence of action and less exposure to restrictive international influences.

THE GREAT PESTICIDE DEBATE

The Committee took particular note of the increasingly serious pesticide problem in its report last year. It added $250,000 to the budget to enable the Secretary of Agriculture to collaborate with the Department of Health, Education, and Welfare and other agencies in working out necessary rules and regulations to protect our sources of food and fiber—for which pesticides are an essential tool of production—while at the same time protecting the public health. Also, an additional $27 million was provided last year to undertake a major research program on pesticides, including the study of biological and other alternative means of insect control.

Further, believing that we should not permit anyone or any group to burden our source of food and fiber with the unknown, and believing that we could not afford to force the homeowner, homegardener, the florist, and those engaged in agriculture to prove that their tools and work materials do not cause that for which even the best researchers, physicians, and scientists do not know the cause, the Committee had an objective study made by its staff of investigators on the effects, uses, control, and research of agricultural pesticides.

The report on this special staff study, which is included in part I of the hearings on the 1966 Agricultural budget, does much to put this entire question in the proper perspective and to counterbalance many of the fears and misconceptions concerning pesticides. The report is based on interviews with over 185 outstanding scientists and 23 physicians, including officials of the American Medical Association, and university medical school faculties.

The committee is pleased to note that progress is being made in efforts to coordinate the programs of all agencies involved and to develop a realistic and practical approach to the establishment of levels of pesticide residues which can be safely observed without adverse affect on public health. A press release of the Department of Health, Education, and Welfare dated April 9, 1965, gives definite indication that this difficult problem is being resolved in a satisfactory manner. The essence of the HEW press release is as follows:

> Pesticide residues are detectable in the American food supply by today's highly sensitive analytical methods, but the amounts of such residues are insignificant from a health standpoint, according to findings announced today by the Food and Drug Administration, U.S. Department of Health, Education, and Welfare.
>
> FDA made public the results of the latest of its continuing "total diet" studies undertaken to discover the quantity of pesticides in all kinds of food and drink consumed daily. Through the tests FDA is able to evaluate broadly the results of all efforts made to keep pesticide residues below legal tolerance levels. The studies also provide clues as to which pesticides may be getting into the food supply in excessive amounts.
>
> Pesticide levels found in the test samples were generally less than 1 percent of the safe legal tolerance. Many of the most commonly used pesticides were not found at all.

CONTINGENCY RESEARCH FUNDS

As in previous years, numerous Member of Congress, interested individuals and representatives of various organizations appeared before the committee in support of funds in the 1966 budget as well as to request additional research on important and meritorious projects not included therein. While the committee has not been able to fund all of the additional special requests, it has again included $1 million for the contingency research fund to meet as many of these needs as the Administrator of the Agricultural Research Service may approve. The administrator is requested to review the committee hearings and give consideration to all such requests in final allocation of this fund.

There is an urgent need for additional mechanization research in California as the result of the discontinuance of the bracero program. The problem of the date industry, which must depend on imported labor to climb to the tops of the palm trees for pollination and harvesting purposes, is an example. Unless these essential processes can be mechanized, the future of the American date industry is threatened. This matter deserves special attention and should have a high priority in use of the contingency fund.

Another problem which merits special consideration is the serious threat to our poultry and turkey producers from the Bluecomb disease. Losses to the poultry industry are estimated at $10 million annually.

A new threat to the corn producing areas of the Nation known as maize dwarf mosaic also must be given careful consideration in establishing priorities under this research fund. According to testimony presented to the committee, this disease has caused crop losses ranging from 5 to 70 percent in Illinois. Kentucky, Indiana, Tennessee, Missouri, and Arkansas have also reported serious infestations. Officials in Ohio estimated that corn producers in that State alone lost over $5.8 million in 1964 due to the disease.

Overcrowding at the Barley Laboratory at Madison, Wis., has reached the point where action should be taken soon to expand these facilities. The Administrator should use whatever contingency funds may be necessary to prepare final plans for such expansion, and for inclusion of construction funds in the next annual budget for the Department.

The committee takes great pride in the tremendous growth of interest in and attention to soil and water conservation and restoration which has taken place throughout the Nation in the past decade. To meet the need for basic data and improved techniques, in 1958 Congress established a National Sedimentation Laboratory to study problems of sedimentation associated with erosion of agricultural lands and stream valley systems. In view of the continuing increase in soil and water conservation and watershed projects in all areas of the country, attention should be given to further expansion of this national research station. The present Laboratory is an excellent one with a competent staff. However, present facilities are inadequate to provide the Laboratory space and special equipment needed to meet the highly diversified problems of the areas of various soil types throughout the country.

Also some consideration should be given to a bee breeding center. The dependence on this insect for an important part in crop pollination makes it necessary that the supply of such insects be maintained.

AGRICULTURAL RESEARCH SERVICE

The bill includes $114,394,000 for the next fiscal year for research, a decrease of $8,205,000 under 1965 and a reduction of $2,498,000 in the budget estimate. The reduction below 1965 and 1966 recommendation is computed as follows:

1965 appropriation	$122,599,000
Deduct: Net reduction in research	−625,000
Add: Net increase in construction	5,245,000
Deduct: Increase in transfer, section 32	−12,825,000
Net reduction under 1965	−8,205,000
1966 appropriation recommended	114,394,000

The amount proposed for the various research programs of this agency includes increases of $1,875,000, which are more than offset by a decrease of $2,500,000 due to discontinuance of lower priority lines of research at certain locations. The increases allowed include $855,000

for staffing and operating new and expanded research laboratories, $575,000 for health-related tobacco research, $345,000 for research on molds and their control, and $100,000 to initiate animal research at Clay Center, Nebr.

The net increase for construction of facilities includes $6,394,000 for pesticide research laboratories for which planning funds were approved in the 1965 bill at College Station, Tex., Gainesville, Fla., and Stoneville, Miss. It also includes $2,760,000 for construction of six cotton research laboratories, for which planning funds were provided last year. In addition, construction funds are included for a water pollution laboratory at Durant, Okla, $450,000; a poultry research laboratory in Delaware, $450,000; and alterations and improvements at the Beltsville Research Center, $339,000. The above increases are partially offset by the deduction of nonrecurring construction funds provided for laboratories authorized in the appropriation bill for 1965.

Section 103(a) of the Agricultural Act of 1964—Public Law 88–297—included a directive to the Secretary of Agriculture to undertake a special cotton research program designed to reduce the cost of producing upland cotton in the United States to make it more competitive with synthetics and low-cost foreign production. Acting under this authority, a broad research program was developed and proposed by the Department to cover the various production factors involved and to provide certain additional research facilities needed for the new and expanded work.

On the basis of such a program, an additional $1,400,000 was appropriated for fiscal year 1965, including the sum of $240,000 for the planning of six new laboratories. It is understood that plans will be completed for all six proposed facilities during the next fiscal year. However, the 1966 budget included funds for construction of only two—a cotton disease laboratory at College Station, Tex., and a pilot ginning laboratory at Mesilla Park, N. Mex. Failure to provide funds for all facilities would be considered as breaking faith with the Congress on this program. Accordingly, the committee has included funds for all six facilities as originally proposed by the executive branch and as approved last year by Congress.

The amount recommended under this heading will permit present soybean production research to be carried forward on a regular basis. It also provides for the continuation of research on clothing and housing and wholesaling and retailing.

For plant and animal disease and pest control, the committee recommends an appropriation for fiscal year 1966 of $71,119,000. This is a decrease of $50,200 below 1965 and is a reduction of $2,041,000 in the budget request.

The amount approved includes the following increases: $500,000 for control of the cereal leaf beetle; $200,000 for plant and animal quarantine inspection at ports of entry; $520,000 for the eradication of hog cholera; and $250,000 to conduct a field survey in the Republic of Mexico to determine the extent of the existence of screwworms and their effect on U.S. programs. These are offset by nonrecurring decreases of $1,520,000.

The bill as recommended includes $2,806,200 to maintain a barrier zone to prevent screwworms from migrating from Mexico into Texas, New Mexico, Arizona and adjacent States. The barrier zone became fully operable in March 1964. During calendar year 1964, there were a total of only 240 cases of screwworms in screw-worm-freed areas of the United States, all of which occurred in the States of Texas and New Mexico. There have been no instances of continued or spreading infestations. However, the threat of reinfestation is indicated by the fact that there were a total of 4564 cases in northern Mexico during this same period.

The recommended appropriation also includes $2,500,000 for the continuation of the fire ant eradication program. This serious pest makes farm and pasture lands unusable in certain areas of the country due to numerous mounds ranging up to 24 inches high, which damage farm equipment and interfere with grazing of cattle. Further, there is a public health hazard involved due to the painful stings which cause severe lesions on the body of persons attacked. There have even been a few deaths reported.

A limited survey in 1957 placed the number of acres infested by fire ants at approximately 24 million. Later surveys showed an estimated 33 million acres infested as of March, 1965. Unless control and eradication measures are continued, the spread of this pest to additional areas of the country can be expected.

The committee is disappointed that local agencies and individuals in some areas have not cooperated more fully in the fire ant eradication program. Such cooperation is essential to successful control of this pest. In approving $2,500,000 for the coming year, the committee expects the fullest possible cooperation from such local interests in the future, perhaps through the State governments in the areas affected.

The threat to the Nation's crops, forests, and ornamentals from invasion by foreign plant pests and diseases continues to increase. During 1964, approximately 178 million travelers entered the United States, an increase of 3 million over 1963. A comparison of travelers baggage, carriers, and interceptions for 1964 and 1954 is as follows:

	1964	*1954*
Volume (excluding Canadian traffic):		
People entering United States (millions)	178	120
Baggage (millions of pieces)	32	8
Carriers—all types (millions)	28	15
Contaminated interceptions (thousands)	450	180

The growing dangers inherent in modern modes of transportation and the ever-increasing volume of travel and commerce between all parts of the world have placed an increased responsibility and workload on those responsible for enforcement of quarantine regulations through inspections at ports of entry. Funds expended for plant and animal quarantine inspection have increased from $3.9 million in 1954 to $10.5 million in 1965.

Several years ago the committee called on the Department to work out arrangements with the international carriers whereby travelers destined for the United States would be given advance information on foods and other materials which are prohibited from entering the United States. While some steps have been taken in this direction, the committee feels that present practices are insufficient. Notice on taking passage should be such as to justify automatic fines for any person found to have such materials in his or her possession on arrival.

Accordingly, the Secretary is requested to give effective notice to all carriers as to prohibited materials for insect control purposes, with the understanding that the carriers will be held responsible to make certain that travelers do not arrive at U.S. ports with such materials in their possession. Further, consideration should be given to charging back the cost of such inspection by the Government to those carriers who fail to give the required notice to travelers on their conveyances, where such travelers are found to have prohibited materials in their possession.

An appropriation of $2 million is proposed for the coming fiscal year for the purchase of foreign currencies to finance oversea research designed to benefit American agriculture and to develop and expand foreign markets for U.S. agricultural commodities. In view of a balance of around $9 million of prior year funds available for this purpose, the amount approved for the coming year has been held to the 1965 level.

COOPERATIVE STATE RESEARCH SERVICE

The Cooperative State Research Service was established by Secretary's memorandum No. 1462 dated July 19, 1961, and supplement No. 1, dated August 30, 1961, under Reorganization Plan No. 2 of 1953. The Service carries out, first, administration of the Agricultural Experiment Stations Act of August 11, 1955—Hatch Act of 1887, as amended; second, payments under section 204(b) of the Agricultural Marketing Act of 1946 to State agricultural experiment stations; third, grants to nonprofit institutions for support of basic scientific research under the act approved September 6, 1958; fourth, grants for cooperative forestry research under the act approved October 10, 1962, and grants for facilities under the act of July 22, 1963.

An appropriation of $51,695,000 is recomended for this program for fiscal year 1966. This is an increase of $1,698,000 over 1965 and a decrease of $672,000 in the budget estimate. The increases include $1,940,000 for payments to States under the Hatch Act and $1 million for additional cooperative forestry research under the McIntire-Stennis program. These increases are partially offset by a budgeted decrease of $1,242,000 in funds for grants to States for construction, alteration, and improvements to research facilities.

In addition to amounts recommended above, $400,000 is proposed to be trans-

ferred from section 32 funds for grants for basic scientific research, as authorized by law.

EXTENSION SERVICE

Cooperative agricultural extension work was established by the act of May 8, 1914, as amended by the act of June 26, 1953, and the act of August 11, 1955. The legislation authorizes the Department of Agriculture to give, through the land-grant colleges, instruction and practical demonstrations in agriculture and home economics and related subjects and to encourage the application of such information by means of demonstrations, publications, and otherwise to persons not attending or resident in the colleges. Extension educational work is also authorized under the Agricultural Marketing Act of 1946.

State and county extension work is financed from Federal, State, county, and local sources. These funds are used within the States for the employment of county agents, home demonstration agents, 4–H Club agents, State specialists, and others who conduct the joint educational programs adopted to local problems and conditions.

The Committee recommends the full budget estimate of $86,335,000 for fiscal year 1966 for the various programs of this agency. This is an increase of $1,228,000 over fiscal year 1965, of which $881,000 is available for payments to States under the Smith-Lever Act, and $347,000 is required for retirement and employees' compensation costs for the additional extension agents covered by the increased payments to States.

FARMER COOPERATIVE SERVICE

The Farmer Cooperative Service was established following the enactment of the Farm Credit Act of 1953—Public Law 202, August 6, 1953—which transferred the research and technical assistance work for farmers' marketing, purchasing, and service cooperatives, under the Cooperative Marketing Act of 1926 from the Farm Credit Administration to the Secretary of Agriculture.

The Service conducts research, advisory, and educational work with cooperatives on problems of organization, financing, management policies, merchandising, costs, efficiency, and membership to help farmers who are members of such organizations improve the operations of their business. It cooperates with the Extension Service, land-grant colleges, banks for cooperatives, State departments of agriculture, and other agencies to bring about better understanding and application of sound cooperative principles and practices. It also advises other Federal agencies on problems relating to agricultural cooperatives.

The fiscal year 1965 appropriation level of $1,141,000 is again proposed for the next fiscal year. This is a decrease of $100,000 in the budget request. The agency is to be commended for the fine program it has been conducting. The Committee feels that the present level of funds will permit the continuation of this program at an adequate level.

SOIL CONSERVATION SERVICE

The Soil Conservation Service was established by the act of April 27, 1935. It assists soil conservation districts and other cooperators, watershed groups, and Federal and State agencies having related responsibilities in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by floods and sedimentation.

An appropriation of $105,373,000 is recommended for the coming fiscal year for technical assistance to soil conservation districts, communities, and other cooperators, and for other related activities under this heading. The amount proposed is an increase of $1,140,000 over 1965 and is $1,270,000 over the budget request.

The sum recommended includes an additional $770,000 to provide technical assistance to 25 new districts expected to be organized during the next fiscal year. Soil conservation assistance is required by an increasing number of soil conservation districts each year, and some financial provision must be made to service new districts as they are organized.

The proposed appropriation also includes a restoration of $500,000 to partially offset the personnel reduction necessitated by partial absorption of increases in salary costs and other operating expenses. The budgeted amount would have resulted in a decrease of 140 man-years of technical services to existing districts in the coming year. The committee action will restore half of this proposed reduction. Considerable testimony was presented to the committee as to the need for an increase in assistance to present districts rather than a decrease as proposed by the budget. As of June 30, 1964, only 33 percent of the operating units in soil conservation districts had received planning with technical assistance through the Soil Conservation Service. It is estimated that the soil conservation and watershed needs of the country will be a continuous problem, with increasing population and expanding water needs of the future. It is to be noted that we are losing a million acres a year now to urbanization, highways, and similar uses.

The 1966 budget included a statement indicating that changes in the law would be proposed at a later date to establish a revolving fund and charge back a portion of the technical assistance costs involved in installation of practices. This proposed change in the basic law under which this program operates has not been enacted into law. The committee is therefore recommending the full appropriation needed to carry on this program under present legislation.

The most serious threat to the future of the soil and water conservation programs of this agency is the budget proposal to reduce the agricultural conservation program by $100 million for next year. If this reduction were adopted, funds transferred to the Soil Conservation Service for technical assistance in the installation of ACP practices would be reduced by about $3.5 million, 530 soil conservation technicians would be eliminated, and over one-third of the conservation work on the watershed projects would be eliminated or substantially curtailed. The committee recommends the restoration of the full $220 million program announcement for the 1966 ACP, which will prevent these serious reductions in the Soil Conservation Service and the Nation's soil and water conservation programs.

The watershed improvement programs of the Department of Agriculture were initiated by the authorization of planning and works of improvement on the original 11 major watersheds covered by the Flood Control Act of 1944. In 1953, this committee provided $5 million in the 1954 Appropriation Act, without a prior budget estimate, to authorize 62 small "pilot" watershed projects to promote national interest in small upstream watershed control. These pilot projects were a tremendous success.

The following year Congress enacted Public Law 566, 83d Congress, which placed this program on a permanent basis. Also, under authority of section 8 of this same act (as amended) loans to local organizations were authorized to help defray a portion of the local share of the cost of watershed protection and flood prevention projects. These programs are now financed through two appropriations included in this bill for Public Law 566 projects designated as "Watershed Planning" and "Watershed Protection," and through a separate appropriation, "Flood Prevention," which covers the 11 original major watersheds.

For the watershed planning appropriation, the committee recommends $5,721,000 for the coming year. This is the full budget estimate and is a continuation of the program level provided for fiscal year 1965. As of June 30, 1964, a total of 2,137 applications for planning assistance had been received. Of the 1,887 considered suitable for planning, 1,002 had been approved for planning, plans had been completed on 617, and 875 remained to be planned.

An appropriation of $64,171,000 is proposed for the watershed protection program for the next fiscal year. This is an increase of $3,151,000 over 1965 for river basin surveys and works of improvement on Public Law 566 projects. The decrease of $3 million will continue the loan program at the 1965 level of $4 million.

The full budget estimate of $25,417,000 is recommended for the flood prevention watershed projects for fiscal year 1966. The reduction of $900,000 below 1965 is due to the fact that supplemental funds provided last year for emergency soil conservation measures resulting from severe fires in California are not required again in this bill.

The committee has deleted language limiting the purchase of land in the Yazoo-Little Tallahatchie watersheds. It would further point out that the intent of the Congress in the language affecting these watersheds in Public Law 712, 80th Congress, was to authorize the use of funds for these districts up to such line as the Corps of Engineers and the Soil Conservation Service might agree their respective responsibilities reached.

For the Great Plains conservation program, the bill includes the full budget estimate of $14,864,000 for the coming

year. This is a continuation of the 1965 program. During fiscal year 1964, five additional counties were designated for participation in the program, about 4,500 farmers and ranchers applied for program assistance, 3,719 new contracts covering approximately 5.4 million acres were signed, making a total of nearly 34 million acres placed under cost-share contracts.

The resources conservation and development program, which was authorized by section 102 of the Food and Agriculture Act of 1962—Public Law 87–703—provides for technical assistance in planning and carrying out land conservation and land utilization projects in selected areas. Although the Soil Conservation Service is responsible for administering the work of this program, it is carried on cooperatively with other Federal agencies and departments, State and local agencies, and sponsoring organizations. Other agencies of the Department of Agriculture share in the work of these projects in accordance with their regularly assigned functions. Governing bodies of soil conservation districts, in cooperation with other interested committees or groups, are expected to provide local project sponsorship. These projects will usually be in areas where acceleration of conservation activities is required to provide additional economic opportunities to the residents of a single district, or parts of several adjoining districts, or other geographic planning units within a land resource area.

For the next fiscal year, an appropriation of $2,813,000 is proposed, an increase of $1 million over 1965 and a reduction of $1,490,000 in the budget request. The amount approved includes $410,000 for investigations and planning, $639,000 for resource development, $764,000 for technical services, and $1 million for loans and related expense.

ECONOMIC RESEARCH SERVICE

The Economic Research Service was established by Secretary's Memorandum No. 1446, Supplement No. 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service develops and carries out a program of economic research designed to benefit farmers and the general public. The findings of this research are made available to farmers and others through research reports and through economic outlook and situation reports on major commodities, the national economy, and the international economy.

The sum of $11,072,000 is recommended for fiscal year 1966, an increase of $150,000 over 1965 and a decrease of $294,000 in the budget request. The increase includes additional funds for research projects on financial management of family farms, water management and use, and export outlook projections. In view of the critical problems of American agriculture in these three areas, some additional funds for field study appear to be justified.

STATISTICAL REPORTING SERVICE

The Statistical Reporting Service was established by Secretary's Memorandum No. 1446, Supplement 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service was created to give coordinated leadership to the statistical reporting research and service programs of the Department. It provides a channel for the orderly flow of statistical intelligence about the agricultural economy of this country. The primary responsibilities of this Service are the nationwide crop and livestock estimates, coordination and improvement in the Department's statistical requirements, and special surveys of market potentials for agricultural products.

The full budget estimate of $13,595,000 is proposed for next year, an increase of $1,729,000 over the 1965 appropriation for this agency. The additional funds are provided for the purchase of a large-scale computer, which is essential to the long-range improvement of crop and livestock estimates. Rental of computer time on an irregular basis from various organizations in and around Washington has become a very inefficient method of operation and can no longer be depended upon for this purpose—where accuracy and speed of release of information are of paramount importance.

The budget proposes to eliminate funds for programs assigned to the agency by Congress in previous years, including cut flower surveys and certain seed reports. It also proposes to reduce the frequency of cattle-on-feed reports in certain areas. In the opinion of the committee, these activities are essential and should be continued.

CONSUMER AND MARKETING SERVICE

The Consumer and Marketing Service, formerly called the Agricultural Marketing Service, was established November 2, 1953, under authority of section 161, Revised Statutes, Reorganization Plan No. 2 of 1953 and other authorities.

The bill for the coming fiscal year includes a recommended appropriation of $75,852,000 for consumer protective, marketing, and regulatory programs, an increase of $2,100,000 over 1965 and a decrease of $585,000 in the budget estimate. The proposed increase will provide 300 additional meat and poultry inspectors for next year, which will expand the present force of inspectors to approximately 6,000. It will also provide in excess of $52.5 million for these two regulatory functions. The meat and poultry inspection workload continues to grow each year due to increased consumer demands, the expansion in the number of meatpacking and poultry processing plants, and the increase in number of cities in which such plants are located.

Federal payments, authorized by section 204(b) of the Agricultural Marketing Act of 1946, are made under cooperative agreements between the U.S. Department of Agriculture, State departments of agriculture, bureau of markets, and similar State agencies for the conduct of eligible marketing service activities on a matching fund basis. The States contribute at least half of the cost and perform the work with State personnel.

The full budget estimate of $1,500,000 is recommended for the coming fiscal year, the same amount as provided for fiscal year 1965.

The special milk program is aimed primarily at increasing the consumption of fluid milk by children. Nonprofit schools of high school grade and under, all nonprofit summer camps and child-care institutions devoted to the care and training of children, are eligible to participate in the program.

From its inception in fiscal year 1955 through fiscal year 1962, the program was financed through advances from the Commodity Credit Corporation. The Agriculture Act of 1961—Public Law 87–128—approved August 8, 1961, changed financing to a direct appropriation beginning June 1, 1962. In 1965 one-half of the funds required were provided by a direct appropriation and one-half were provided by transfer from section 32 funds.

For fiscal year 1966, the committee proposes a direct appropriation of $100 million to cover the entire cost of this program. This is the full budget request. The indicated increase of $48,500,000 is due entirely to the change from partial section 32 financing to a full appropriation basis.

For the school lunch program the committee proposes a direct appropriation of $155 million for fiscal year 1966, plus a transfer of $45 million from section 32 funds for the purchase of meats and other foods needed to provide balanced school lunches. This is an increase of $8,600,000 over 1965 and is a reduction of $2 million in the budget request.

For the past several years, the funds provided for this program have been computed at an average rate of 5 cents per meal for the estimated number of meals to be served during the budget year. The amount proposed for the coming year represents an average Federal payment of 5 cents per meal for an estimated 3 billion meals. This covers both the cash payment and regular section 6 food purchases.

FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service was established March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 690 approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service. More recently, the Secretary has assigned to the Service, by transfer from other agencies of the Department, responsibility for the barter and stockpiling program, general sales management for government-owned surplus commodities, ocean transportation functions related to the export of commodities under U.S. programs, and activities relating to developing, evaluating, and reviewing the program for donations of food abroad through voluntary agencies, pursuant to title III of Public Law 480.

The primary function of the Foreign Agricultural Service is to help American agriculture in maintaining and expanding foreign markets for its products. It maintains a worldwide agricultural intelligence and reporting service, to assist U.S. agricultural industry in its export operations through a continuous program of analyzing and reporting foreign agricultural production, markets, and

policies. It helps to develop foreign markets for U.S. farm products through administration of special export programs and through helping to secure international trade conditions that are favorable toward our products.

For the next fiscal year, the committee recommends the full budget estimate of $20,574,000, a decrease of $205,000 below 1965. The amount approved contemplates a decrease of $285,000 due to financing of market development activities in Brazil from the special foreign currency appropriation next year. This is partially offset by an increase of $80,000 to strengthen the Agricultural Attaché service in Chile and on the OECD staff in Europe.

In addition, language is included in the bill to permit the conduct of market development work in excess foreign currency countries with foreign currencies from any source, rather than being limited to those generated by Public Law 480 sales.

COMMODITY EXCHANGE AUTHORITY

The Commodity Exchange Authority administers the Commodity Exchange Act of September 21, 1922, as amended. The objectives are to prevent commodity price manipulation and market corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges and contract markets to cooperative associations of producers; insure trust fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

For this agency, the bill for fiscal year 1966 carries $1,169,000. This is the full budget request and is the same amount as appropriated for 1965. The authority's responsibilities include the supervision of 17 commodity exchanges designated as contract markets, more than 400 brokerage firms registered as futures commission merchants, and about 750 individuals registered as floor brokers.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended—5 U.S.C. 133Z.

The committee proposes an appropriation of $111,714 000 for the coming year for the operating expenses of the various programs administered by this agency. The amount recommended is an increase of $3,162,000 over 1965 and a reduction of $26,636,000 in the 1966 budget request.

An increase of $5 million is allowed to finance workload in county offices in 1966 which was covered in 1965 from available funds carried forward from 1964. This is partially offset by a decrease of $1,838,000, which results from increased employee productivity and contemplates a man-year reduction of 191 in fiscal year 1966.

The budget proposed to transfer $21,108,223 from CCC financing to a direct appropriation basis. The major portion of the proposed decrease is due to the committee's recommendation that the activities involved continue to be financed from CCC transfers during the coming year.

The committee takes note of the announced changes being considered by the Department in connection with skip-row planting of cotton. In the opinion of a majority of the committee, the adoption of such changes would be a definite step backward, since it would result in a failure to fully utilize the results of extensive research in this area.

The Committee calls on the Department to continue the administration of the 1965 cotton loan program on the same basis as in 1964. To provide for disbursements by county offices would result in a large increase in personnel, inconvenience to the farmer, and greatly increased risk to the Government since county employees are not under bond. The fact that they would be personally financially responsible would mean nothing in most cases. This matter has been before the Committee repeatedly in prior years.

For the sugar act program, the budget estimate of $95,000,000 is recommended for fiscal year 1966, a decrease of $1,000,000 below funds provided for 1965.

Payments are made to domestic producers of sugarbeet and sugarcane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the United States for direct consumption. During the period 1938–64, collections of $2.2 billion from excise taxes and import taxes have exceeded payments by $541.5 million. Estimated collections through fiscal year 1966 of $2.4 billion will exceed estimated payments by $557 million.

The full budget request for a $220,000,000 appropriation is recommended for 1966 to make payments earned under the 1965 Agricultural Conservation Program authorized last year. Amounts due under this program are legal commitments and funds must be provided to pay all contracts entered into under the program announced the previous year.

The Committee also has restored the 1966 program authorization to the regular level of $220,000,000—plus $30,000,000 for administration under the appropriation "expenses, ASCS". Nearly every budget submitted for the past 10 years has proposed a reduction in this amount. It has been necessary for Congress to restore such budget cuts each year.

In the opinion of the majority of the members of the committee, the funds expended through this program return to the Nation the greatest possible conservation benefits. Further, this program provides the best possible means of meeting local conservation needs in all areas of the country. It is far more effective than many other approaches adopted in recent years.

Conservation practices under this program are developed initially at the local level by ASC State and county committees, the Soil Conservation Service, and the Federal Forest Service. Representatives of the land-grant colleges, the Farmers Home Administration, State conservation committees, and other State and Federal agricultural agencies also participate in these determinations.

The recommendations of these groups are used as the basis to formulate joint recommendations to the Agricultural Stabilization and Conservation Service in Washington. From these recommendations, the various agencies of the Department in Washington develop and recommend to the Secretary of Agriculture a national program. State and local people then develop their local programs within the structure of the national program approved by the Secretary. No practices are adopted and put into effect in any State or county unless approved by the local conservation groups.

The Food and Agriculture Act of 1962 authorized the Secretary of Agriculture to extend conservation reserve contracts expiring in December 1962, for the calendar year 1963. A total of $6,150,000 was appropriated in fiscal years 1963 and 1964 to liquidate such contracts covering approximately 700,000 acres. No further funds are needed for this purpose, since this feature of the program has not been extended beyond 1963.

The Food and Agriculture Act of 1962 also authorized the Secretary to carry out a pilot program to determine how land not needed for crop production can best be used for conserving and developing soil, water, forests, wildlife, and recreational resources.

The pilot cropland conversion program has been offered in 41 counties of 13 States, involving differing geographic and agricultural situations. In addition, offers have been made to enter into a limited number of agreements in other States and counties to convert cropland to recreational enterprises only. About 2,800 agreements involving 129 thousand acres of cropland have been entered into in about 128 counties in 37 States.

The appropriation act for 1965 appropriated $15 million for the 1964 and 1965 programs. The committee recommends the sum of $7,500,000 for fiscal year 1966, which will continue the program at the 1964 and 1965 level.

An appropriation of $140 million is provided in the bill to meet conservation reserve contract commitments in 1966. This is $54 million below 1965 and is a reduction of $10 million in the budget estimate.

The decrease in this program is due to a reduction in annual rental payments as the result of the expiration of 40,316 contracts covering 3,237,494 acres previously withheld from production. Payments under this program will continue through 1973 on a diminishing basis.

The emergency conservation measures appropriation provides special funds for

sharing the cost of emergency conservation measures to deal with cases of severe damage to farm and rangelands resulting from natural disasters. The criteria under which assistance may be made available are set forth in the Soil Conservation and Domestic Allotment Act—16 U.S.C. 590(h).

Funds are allocated for use only in those counties designated by the Secretary of Agriculture as disaster counties. Assistance is made available to treat new conservation problems which, first, if not treated will impair or endanger the land; second, materially affect the productive capacity of the land; third, represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area; and fourth, will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

The budget estimate of $4 million is proposed for next year for this purpose. The decrease of $10 million is due to a nonrecurring supplemental enacted this spring to treat farm and rangelands damaged by recent floods in the Far West.

RURAL COMMUNITY DEVELOPMENT SERVICE

The Rural Community Development Service has been established as a new agency of the Department. It includes the activities of the former Office of Rural Areas Development established June 16, 1961, to provide for general staff coordination of the rural areas development activities of the Department. In addition, it will undertake to facilitate the effective extension into rural areas of assistance programs of other Federal agencies which do not now effectively reach rural areas because of the administrative difficulties of communicating with the dispersed rural population. It will work with local organizations and leaders in helping them to locate and use the facilities of private, State, and other Federal agencies in developing the economy of rural areas, particularly those of low income.

The committee recommends $500,000 for fiscal year 1966 for this program, an increase of $368,000 over 1965 and a reduction of $250,000 in the budget request. The increase will be used to establish new field offices, in addition to the three now in operation, to provide leadership and cordination for the Rural Community Development activities of the Department. These field offices will serve as contact points for applicants for rural development projects and help to channel requests to existing local, State, and Federal agencies and institutions; make contact with sources of financial and technical assistance; follow through the difficult phases of project development; assist in establishing new industrial and commercial establishments; and assist in the establishment of adequate training programs.

OFFICE OF THE INSPECTOR GENERAL

Internal audit, inspection, and investigations activities are carried out by the Office of the Inspector General which was established by the Secretary of Agriculture's Memorandum No. 1503 dated June 25, 1962, and No. 1524 dated December 21, 1962. The Office is responsible to the Secretary for assuring that existing laws, policies, and programs of the Secretary are effectively complied with on every level of administration in accordance with the intent of the Congress and the Secretary. It insures prompt and appropriate corrective action in those areas in which deviation from established law, policy, procedure, rules, or regulations has developed; and conducts internal audit, inspection, and investigative activities within the Department and coordinates and correlates them with various investigative agencies of the executive and legislative branches of the Government.

The bill includes $10,416,000 for the coming year, an increase of $300,000 over 1965 and a decrease of $545,000 in the budget request. The increase is provided to meet the necessary field audit and investigative needs of the expanding food stamp program. Language is also included to permit the temporary employment of experts and consultants as needed to evaluate the adequacy and quality of audits and inspections made by this Office.

OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel, originally known as the Office of the Solicitor, was established in 1910 as the law office of the Department of Agriculture, and performs all of the legal work arising from the activities of the Department. The General Counsel represents the Department in administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from the decisions of the Commission to the courts. He serves as General Counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. He reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

The committee proposes an appropriation of $4,139,000 for fiscal year 1966, an increase of $100,000 over 1965 and a reduction of $90,000 in the budget request. The increase is provided to meet the additional legal work related to the food stamp program, Packers and Stockyards Act, and programs of the Farmers Home Administration and the Forest Service. Appropriations for all of these agencies have been increased in recent years, with corresponding increases in their demands upon this Office for legal assistance.

OFFICE OF INFORMATION

The Office of Information was established under its present name in 1925 as a consolidation of functions formally organized as early as 1889, to coordinate in the Department the dissemination of information useful to agriculture as directed by the act establishing the Department of Agriculture in 1862.

The Office has general direction and supervision of all publications and other information policies and activities of the Department including the final review, illustrating, printing, and distribution of publications; clearance, and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration-type photographs; and the preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department Directory, and the Department List of Publications; handles the details of distributing farmers' bulletins allotted to Members of Congress; and services letter and telephone requests for general information received in the Department. Under the Department's working capital fund, the Office also produces visual informational materials, such as motion pictures, art, and graphics materials, and still photographic work for the Department and other Government agencies.

The full budget estimate of $1,689,000 is recommended for this office in 1966. This is a continuation of the program level authorized for fiscal year 1965.

NATIONAL AGRICULTURAL LIBRARY

The Library, pursuant to the Department's organic act of 1862, and under delegation from the Secretary, "procures and preserves all information concerning agriculture which can be obtained by means of books." Under the act establishing the Department, the Library also serves as the National Agricultural Library.

The Library makes available to the research workers of the Department and the State agricultural colleges, as well as to the general public, the agricultural knowledge of the world that is contained in published literature. The Library collects current and historical published material and organizes it for maximum service to the Department and to the public through reference services, loans of publications, bibliographical services, and photo reproductions of library material. It issues a monthly Bibliography of Agriculture in which is listed the agricultural literature of the world. The book collection approximates 1.2 million volumes.

The 1965 appropriation for salaries and expenses of $1,599,000 is proposed again for fiscal year 1966, a reduction of $266,000 in the budget estimate. In view of the planned construction of a new library at Beltsville during the coming year, the committee feels that further increases in staff and library services should be deferred.

An appropriation of $7 million is also included in the bill for the construction, equipping and furnishing of a new library building at the Beltsville Research Center. Architectural plans are scheduled for completion in September 1965. The construction contract will be let shortly thereafter, with completion scheduled for the fall of 1967. It is expected that the amount provided herein will be the full and complete cost of this facility, exclusively of planning funds previously appropriated.

OFFICE OF MANAGEMENT SERVICES

The Office of Management Services provides consolidated management sup-

port services to certain agencies and offices of the Department. It was established by Secretary's memorandum No. 1529, dated January 29, 1963, to provide greater economy and effectiveness in the rendering of management service through: improved utilization of manpower and management techniques; increased specialization of professional skills; and more extensive use of time-saving equipment.

The consolidated management support functions include budget and finance, personnel and related programs, administrative services, and information work. The organization structure of OMS is based upon these functions with operating divisions providing the services for the following agencies and offices: Office of the Secretary, Office of Budget and Finance, Office of Hearing Examiners, Office of Management Appraisal and Systems Development, Office of Personnel, Office of Plant and Operations, Rural Community Development Service, Office of Information, National Agricultural Library, Office of the General Counsel, Office of the Inspector General, Farmer Cooperative Service, Commodity Exchange Authority, Cooperative State Research Service, Economic Research Service, and Statistical Reporting Service.

The 1965 appropriation of $2,483,000 is recommended again for next year. This is a decrease of $96,000 in the budget estimate. Since the programs of the agencies served by this office have been held at or close to the 1965 level, no increase is required for their administrative service support.

GENERAL ADMINISTRATION

The Secretary of Agriculture, assisted by the Under Secretary, the Assistant Secretaries, and members of their immediate staffs, directs and coordinates the work of the Department; formulates and develops policy, maintains relationships with agricultural organizations and others in the development of farm programs; and maintains liaison with the Executive Office of the President and Members of Congress on all matters pertaining to legislation and policy to insure effective performance of the agricultural programs of the Department.

The following activities are also included under General Administration:

Personnel administration and service is carried on by the Office of Personnel, the staff agency with responsibility for the personnel management program of the Department.

Budgetary and financial administration and service is carried on by the Office of Budget and Finance, the staff agency with responsibility for functions relating to overall administration of the budgetary, fiscal, and related affairs of the Department.

General operations are carried on by the Office of Plant and Operations, a staff agency exercising general staff management direction of the housing of the Department's activities; the lessening of commercial space and management of real property; procurement activities; purchasing, warehousing, utilization and disposal of administrative and operating supplies and equipment.

Management appraisal and systems development functions are carried out by the Office of Management Appraisal and Systems Development which was established by Secretary memorandum No. 1477 of December 8, 1961. The Office is responsible for the general direction, leadership, and coordination in the department of management appraisals, systems design, automatic data processing, operations research, and related management techniques.

Regulatory hearings and decisions include the work of the Office of Hearing Examiners and of the Judicial Officer. The Hearing Examiners carry out the provisions of the Administrative Procedure Act relating to the holding of hearings—5 U.S.C. 1006, 1010. Hearings are held in connection with prescribing of new regulations and orders, and on disciplinary complaints filed by the Department, or on petitions filed by private parties asking relief from some action of the Department.

The National Agricultural Advisory Commission was established pursuant to Executive Order No. 10472, approved July 20, 1953, amended by Executive Order 10937, approved May 3, 1961. In its advisory functions, the Commission is concerned with the broad fields of agricultural policy and administration, both as they affect the U.S. farmer and the national economy.

The committee was disturbed recently by the failure of the Department to keep informed adequately on legislative bills and reports introduced and to make certain that the Department is properly represented at hearings and other meetings at which proposed legislation and other matters of vital interest to agriculture are considered. While the congressional liaison office is doing its best, more definite arrangements to meet this responsibility should be made by the Secretary and means should be adopted to make certain this responsibility is fully carried out.

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order 7037 of May 11, 1935, to make loans for extension of central station electric service to unserved rural people. It was continued by the Rural Electrification Act of May 20, 1936, and became part of the Department of Agriculture on July 1, 1939, under Reorganization Plan II. On October 28, 1949, Public Law 423 amended the act to authorize loans for furnishing and improving rural telephone service.

Electric and telephone construction loans are self-liquidating within a period not to exceed 35 years at 2-percent interest.

The full budget estimate of $350 million is recommended for electrification loans for 1966, including a contingency reserve of $65 million. This is a reduction of $15 million below electrification loan funds authorized for 1965.

The need for electrification loan funds is indicated by the greatly increasing need for electric energy. Forecasts by the electric utility industry show that the country's energy output will grow from 860 million kilowatt-hours (kwh) in 1962 to 1.5 trillion kilowatt-hours in 1970, and to 3.1 trillion kilowatt-hours in 1980. The growth rate will quadruple the country's total output in the next 20 years. The forecasts indicate that all of the electric systems in America—cooperatives, private and public—will need more than $140 billion of new capital for expanded plant facilities to meet the growing demand for service by 1980, or an average annual investment of 7 percent of plant. For the REA-financed rural systems the need for new capital will grow accordingly.

The consumer density on REA-financed electric systems is 3.3 consumers or meters to the mile as compared to 33.2 for the class A and B commercial utilities. Their annual gross revenues average $460 per year per mile of line, while annual gross revenues per mile of class A and B utilities is $7,164. The rural electric systems have built 1.5 million miles of distribution lines in this country. This is one-half of the distribution line mileage in the industry, but it serves only 8 percent of the consumers and grosses only 5 percent of the revenue of the industry.

For the telephone loan program, the bill includes an authorization of $97 million for 1966, the full budget estimate. The committee has included a separate contingency reserve of $7 million within the total amount approved—a practice which has been found very useful in previous years.

Since the inception of the rural telephone program in fiscal year 1950, loans have totaled over $1,078 million. During this period the percentage of farms with telephone service has increased from about 38 percent to an estimated 79 percent. There is a continued interest in modern telephone service in areas where present facilities are inadequate and do not meet the needs for modern communications.

Telephone loan applications on hand at the close of fiscal years 1962, 1963 and 1964 totaled $56.4 million, $58.3 million, and $84.7 million, respectively. New applications received during fiscal year 1964 totaled $102.1 million with a steady and gradual increase in the average monthly rate of incoming applications. During the first 5 months of fiscal year 1965, incoming applications were received at an annual rate of about $108 million. With loans of $97 million during fiscal year 1965, applications remaining on hand at the close of fiscal year 1965 will probably total about $96 million. It seems quite certain that applications received in fiscal year 1966 will reach $105 million. With a $96 million carryover of unapproved applications, this will provide more than $200 million in applications for consideration during the fiscal year 1966.

For the administrative costs of the REA program, the full budget estimate of $11,934,000 is proposed for 1966. This is the same amount as appropriated for 1965.

FARMERS HOME ADMINISTRATION

Pursuant to the Consolidated Farmers Home Administration Act of 1961, a direct loan account was established in fiscal year 1962. Collections of principal

and interest on loans outstanding are deposited in the direct loan account and are available for principal and interest payments on borrowing from the Secretary of the Treasury and for making additional loans for (a) farmownership, (b) soil and water conservation, and (c) operating purposes. Such loans may be made only in such amounts as may be authorized in annual appropriation acts.

As of the end of fiscal year 1965, it is estimated that this account will have a balance on hand of $72,748,550. Estimated collections in fiscal year 1966 of $346,851,450 will provide a total of $419,600,000 for 1966 loan purposes.

The bill includes loan authorizations for the coming year of $340 million, of which $40 million is provided for real estate loans and $300 million is included for operating loans. The operating loan authorization is the same amount as approved for 1965. Of this amount $50 million has been placed in a contingency reserve as in previous years. The real estate loan figure of $40 million is $20 million less than provided for 1965. The reduction contemplates the greater use of insured loans through the Agricultural Credit Insurance Fund to meet the real estate loan need. Legislation is now pending in Congress to increase the annual limit on insured loans from $200 million to $450 million.

For rural housing for domestic farm labor, the new program of financial assistance is authorized by section 516 of the Housing Act of 1949, as recently amended—Public Law 88–560.

The Committee has agreed to an appropriation of $2 million for the coming year to enable the Department to undertake this new program on an experimental basis. It recognizes the serious shortage of farm labor to do "tedious" and "stoop" work on the Nation's farms. It feels, however, that no funds should be provided to any applicant in excess of 50 percent of the development costs and that grants should be limited strictly to nonprofit associations or public bodies of a similar nature. Grants to individuals or private organizations must not be permitted. The Committee recognizes that, unless this program is kept under very close supervision, it could result in the use of Federal funds for the benefit of private landowners. ,

The rural renewal program was authorized by section 102 of the Food and Agricultural Act of 1962. The program provides technical assistance to locally initiated and sponsored demonstration projects. Loans are made to local public agencies or groups for rural renewal development projects specifically related to conservation and land utilization. To be eligible for designation as a rural renewal area, the locality must be one of chronic underemployment on farms and unemployment in the surrounding communities and where agriculture or forestry contributes substantially to the economy.

The committee recommends that the funds for this purpose be continued at the 1965 level of $1,200,000, a reduction of $1,800,000 in the budget request. As of March 31, 1965, an unobligated balance of over $1 million was available for future activities under this program.

The rural housing for the elderly revolving fund was authorized by the Senior Citizens Housing Act of 1962, approved September 28, 1962. The act authorizes appropriations for a revolving fund to finance the program. It also authorizes loans from the revolving fund to private nonprofit corporations and consumer cooperatives to provide modest rental housing and related facilities for elderly persons—age 62 or over—of low or moderate income in rural areas. These are direct loans, repayable in not more than 50 years. The interest is comparable to housing loans for the elderly in urban areas, which is currently running 3¾ percent.

An appropriation of $2,500,000 is proposed for 1966, a reduction of $2,500,000 below 1965 and the budget request. As of March 31, 1965, slightly over $8.5 million was available in this account to meet future needs.

For salaries and expenses the committee recommends an appropriation for 1966 in the amount of $42,733,000. This is an increase of $1,500,000 over 1965 and and reduction of $1,959,000 in the budget estimate.

In addition, the committee has restored language in the bill which authorizes the use of not to exceed $500,000 of the funds available for the various new programs administered by this agency for the employment of temporary personnel to meet unusual or heavy workload increases.

New responsibilities in the field of financing shifts in land use, recreational enterprises, rental housing for senior citizens in rural areas, farm labor housing, assistance to disadvantaged rural youth and under other authorities of the Farmers Home Administration require new skills and additional manpower, particularly at the field level. With low-income farm borrowers, it is particularly important to provide good technical supervision and assistance coupled with needed credit, if the borrower is to become successfully established. The complicated financial management problems of many applicants require more skill and more effort today than formerly was the case.

During the past 30 years, hundreds of thousands of farm families have used the lending programs administered by the Farmers Home Administration and its predecessor agencies, to equip, improve, operate, and buy family farms. In every instance the families that borrowed funds from the Farmers Home Administration had exhausted the credit available to them from conventional credit sources. Repayment of principal and interest to date totals $5.8 billion. The balance of the amount outstanding has not yet fallen due. For current programs the amount of principal written off is less than 1 percent.

In view of the outstanding record on this agency, it is appropriate to review briefly the history of its programs.

The Department's present supervised credit program began in the midthirties. In those days the agency was known as the Resettlement Administration—1935–37—and later as the Farm Security Administration—1937–46. The Farmers Home Administration succeeded the FSA in 1946.

The original programs initiated in 1937 included direct farmownership loans, and soil and water loans. In 1946 the following loan programs were added: insured farmownership and soil and water loans, and farm-operating loans. In 1949, direct rural housing building loans, repair and improvement grants, and emergency loans to meet natural disasters were added to the agency's program. Insured soil and water loans were authorized in 1954. Watershed protection loans were initiated in 1956 and flood-prevention loans were started in 1960, both by allotment from the Soil Conservation Service.

Legislation enacted by the Congress in the past 4 years has greatly broadened the scope of the Farmers Home Administration. Not only have services to family farmers been increased, but a substantial expansion has taken place in the development of services related to rural community development and rural poverty. Farm labor housing loans were authorized in 1961, insured loans for rental housing for the elderly were added in 1962, and direct loans for rental housing for the elderly and rural renewal loans were initiated in 1964.

Two new categories of loans were added to the agency's program this year, including resource conservation and development loans—by allotment from Soil Conservation Service and economic opportunity loans—by allotment from Office of Economic Opportunity. Also, it is proposed to initiate the farm labor housing program next year under amendments to the Housing Act adopted last year.

The committee is proud of the outstanding record made by this agency and takes pride in having taken part in its accomplishments. It is pleased to have contributed to the broadening of the scope of the programs of this agency to cover "rural" areas as well as "farm" areas, so as to provide credit for those in rural areas who were not covered by either Federal Housing Agency loans for urban dwellers or Farmers Home Administration loans for those living on farms. The Committee also takes pride in its part in providing watershed and flood-prevention loans needed to strengthen the soil and water conservation programs of the Nation.

FEDERAL CROP INSURANCE CORPORATION

The Federal Crop Insurance Corporation is a wholly owned Government corporation created February 16, 1938, to carry out the Federal Crop Insurance Act. Its purpose is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from

negligence or failure to observe good farming practices.

The committee recommends a total of $11,616,000 for administrative and operating expenses during the next fiscal year, $7,478,000 by direct appropriation and $4,138,000 from premium income. This represents a net increase over 1965 of $500,000, one-half the budget request, all to come from premium income. The amount of appropriated funds is retained at the 1965 level, a reduction of $1 million in the budget estimate.

The amount recommended for 1966 is based on an expansion of crop insurance into 100 counties during the next year, and some increased participation in present counties.

COMMODITY CREDIT CORPORATION

The Corporation was organized October 17, 1933, under the laws of the State of Delaware, as an agency of the United States, and was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan I. On July 1, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter by Public Law 80–806, as amended. Its operations are conducted pursuant to this charter and other specific legislation.

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balance and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation is managed by a board of directors appointed by the President and confirmed by the Senate, subject to the general supervision and direction of the Secretary of Agriculture, who is, ex officio, a director and chairman of the board. In addition, it has a bipartisan advisory board of five members appointed by the President to survey the general policies of the Corporation and advise the Secretary with respect thereto.

Personnel and facilities of the Agricultural Stabilization and Conservation Service, ASC State and county committees, and other USDA agencies are used to carry out Corporation activities.

The Corporation has an authorized capital stock of $100 million held by the United States and authority to borrow up to $14.5 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies. In connection with loan guarantees, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by lending agencies or certificates of interest issued in connection with the financing of price-support operations. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1939—15 U.S.C. 713a–4.

The full budget estimate of $2,300 million is included in the bill to restore a portion of the capital impairment of the Corporation for fiscal year 1964. This is a reduction of $374 million below the funds appropriated in fiscal year 1965. The best information available to the committee at this time indicates that this amount will be adequate to finance price support operations during the coming fiscal year. It is realized, however, that the exact amount required next year will be determined finally by the volume of production, weather conditions, market prices, and other uncertain and uncontrollable factors which cannot be accurately predicted at this time.

The committee has approved budget language which will avoid increasing future appropriation requests by accumulated interest charges on realized losses not restored currently. This change will have the effect of terminating at the close of each fiscal year, beginning with the fiscal year 1965, interest on borrowings from the Treasury in an amount equivalent to the realized losses sustained by the Corporation (1) during the fiscal year 1965 and succeeding fiscal years, and (2) in prior fiscal years, for which the Corporation has not been reimbursed by appropriation. Interest would continue to be charged on borrowings for losses sustained during a particular fiscal year but not after the end of that fiscal year. This would limit interest expenses to borrowings for current operations and would avoid increasing future appropriation requests by interest charges resulting solely fror deferral of reimbursement to the Corporation for realized costs and losses applicable to past operations.

The committee wishes to point out again this year that a major portion of the funds expended by the Commodity Credit Corporation for price support and related activities go to nonfarm groups, including warehousemen, transportation companies, exporters, consumers, and others. A review of the major elements of cost for the past 6 years shows that the percentage of CCC payments to nonfarm groups has run around 60 percent on the average.

The committee recommends the proposed budget limitation of $36,650,000 for the Corporation's administrative expenses during the coming year. This amount is $701,000 less than provided for 1965. This reduction has been made possible by increased productivity of employees paid from these funds.

Despite salary increases and other increased costs, the officials of the Corporation and the Agricultural Stabilization and Conservation Service have been able to reduce personnel during the past 2 years. This is a most commendable accomplishment.

FOREIGN ASSISTANCE PROGRAMS

A number of statutes provide for the facilities of the Commodity Credit Corporation to be used in carrying our programs for the exportation of surplus agricultural commodities and authorize appropriations to reimburse the Corporation for costs incurred in connection with such programs.

Prior to fiscal year 1962, the Corporation was reimbursed for the costs of these activities by appropriations subsequent to incurrence of the costs. Beginning in the fiscal year 1962, the Congress added funds to place these activities on a pay-as-you-go basis, appropriating for estimated costs in fiscal year 1962. Subsequent bills have included funds for each ensuing fiscal year on the same basis as for other programs of the Department.

The bill includes a total appropriation of $1,658 million for, first, sales of surplus agricultural commodities for foreign currencies pursuant to title I of said act; second, commodities donated for emergency famine relief to friendly peoples pursuant to title II, and, third, longterm supply contracts pursuant to title IV. The committee has approved the full budget estimate, which is $659,453,000 below the funds appropriated for 1965.

To permit more flexibility in financial administration of this program, separate amounts for each purpose have not been provided for next year.

The rate at which expenditures are made under these programs is influenced by such unpredictable factors as international negotiations, economic conditions abroad, availability of shipping space, and the processing of documents. Also, these programs are affected by major farm legislation, and the effect of new legislation cannot be foreseen at this point.

For the international wheat agreement the full budget estimate of $27,544,000 is recommended for the coming year, a reduction of $54,294,000 below the appropriation for 1965. This decrease results from a 5 cent reduction in the estimated export payment rate, and the elimination of nonrecurring interest expenses in 1965.

For the bartered material for supplemental stockpile the committee proposes an appropriation of $30 million for fiscal year 1966, a decrease of $62,860,000 below funds provided for 1965, and a reduction of $22,500,000 in the budget request.

Information which has been brought to the attention of the committee causes some concern about the type of transactions conducted under the barter program. The Secretary should review this activity thoroughly during the coming year to make certain that it is receiving the closest possible administrative supervision and audit. The use of funds provided through this appropriation should be given close scrutiny and curtailed wherever possible.

FARM CREDIT ADMINISTRATION

The Administration supervises, examines, and provides facilities and services to a coordinated system of farm credit banks and associations making loans to farmers and their cooperatives. Services and facilities furnished by the Administration facilitate the operations of the several agencies and their progress toward farmer ownership. Typical serv-

ices are: custody of collateral for bonds and debentures, assistance in financing and investments, credit analysis, development of land appraisal standards and policies, preparation of reports and budgets, and preparation and distribution of information on farm credit. All expenses of these activities are paid by assessments collected from the banks and associations of the farm credit system.

Since December 4, 1953, the Administration has been an independent agency under the direction of a Federal Farm Credit Board—12 U.S.C. 636. The Administration, originally created by Executive Order No. 6084 on May 27, 1933, was transferred to the Department of Agriculture on July 1, 1939, by Reorganization Plan No. 1.

The amount of loans made by the Farm Credit banks and associations continued in an upward trend and reached a new peak during the past year. A net total of $5.9 billion in credit extended to agriculture in the year ended June 30, 1964, compares with $5.3 billion for fiscal 1963. The 12 Federal land banks in the year ended June 30, 1964, made loans amounting to $852 million as compared with $682 million in fiscal 1963. Production credit associations made $3.7 billion in short- and intermediate-term loans to farmers in the 1964 fiscal year compared with $3.4 billion in fiscal 1963. The banks for cooperatives made $1.06 billion in loans to farmers' marketing, purchasing and business service cooperatives during the year ended June 30, 1964, about $115 million more than in the 1963 fiscal year.

Due to the increased use of credit by farmers and their cooperatives, the total amount of loans outstanding among all Farm Credit banks and associations reached a new peak. Outstandings amounted to $6.9 billion on June 30, 1964, as compared with $6.3 billion a year earlier. The amount outstanding was at peak levels for each group of banks.

The full budget estimate of $2,990,000 is recommended for fiscal year 1966 an increase of $59,000 over 1964. The increase is provided to cover part-year vacancies in 1965, which will be filled for a full year in 1966.

NATIONAL FOOD COMMISSION ON FOOD MARKETING

The National Commission on Food Marketing is a temporary, bipartisan Commission created on July 3, 1964 (Public Law 88–354), to conduct a broad-scale study of the marketing structure of the food industry. Originally a report was to be submitted to the President and the Congress by July 1, 1965. Legislation to extend this date to July 1, 1966, has been proposed. The Commission automatically ceases to exist 90 days after the final reporting date.

As set forth in the authorizing legislation, the duties of the Commission are to study and appraise—

First. The actual changes, principally in the past two decades, in the various segments of the food industry;

Second. The changes likely to materialize if present trends continue;

Third. The kind of food industry that would assure efficiency of production, assembly, processing, and distribution, provide appropriate services to consumers, and yet maintain acceptable competitive alternatives of procurement and sales in all segments of the industry from producer to consumer;

Fourth. The changes in statutes or public policy, the organization of farming and of food assembly, processing, and distribution, and the interrelationships between segments of the food industry which would be appropriate to achieve a desired distribution of power as well as desired levels of efficiency;

Fifth. The effectiveness of the services, including the dissemination of market news, and regulatory activities of the Federal Government in terms of present and probable developments in the industry; and

Sixth. The effect of imported food on U.S. producers, processors, and consumers.

An appropriation of $750,000 is recommended for the next fiscal year for the activities of this organization. This is a decrease of $750,000 in the budget estimate and an increase of $50,000 over 1965 operations.

The Department of Agriculture has been studying marketing margins and other phases of the food industry for a number of years. At the present time it has over 1,000 employees in the Economic Research Service conducting economic research on agricultural production, marketing, and distribution. A complete description of the information available from the research projects of this agency is contained in the hearings on the 1966 budget—part 4, pages 518–539. This data indicates that studies are now going on within the Department on every possible aspect of the price spread between the farmer and the consumer. A total of 22 separate research projects in this area were conducted by the Department's economic research agency between March 1964 and February 1965. Six projects were completed during this period. Ten special publications on this subject were issued during this period by the Economic Research Service and four were published by State universities. Eleven articles were carried in USDA periodicals, four speeches and papers were presented, and 10 radio and television programs were given.

The Department's reports on studies of farm-retail spreads for food products covered beef, pork, lamb, poultry, butter, eggs, fruits and vegetables, bread and wheat, and other items in the farm-food market basket. Such reports also covered the various cost factors involved, including labor, transportation, and corporate profits.

The Committee agrees that the National Commission on Food Marketing can make a contribution to the farmer-consumer relationship, by using the information already available to arrive at conclusions and judgments, and by making these final determinations available to the general public. It feels, however, that a small and highly skilled staff can accomplish this desirable result within the amount of funds recommended for this activity in the bill for 1966. The Department should cooperate fully in bringing together all available information for the use of the Commission. To the extent necessary, it should temporarily assign personnel to the Commission to assist in developing and assembling the basic data required.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, first I should like to compliment the distinguished gentleman from Mississippi for doing the fine job that he always does with this appropriation bill. In connection with the food stamp money, I am certainly delighted to hear the gentleman say that he is going to offer an amendment to restore the amount of money to the budget figure of $100 million. But the statement that concerned me was the gentleman's statement that he did not feel that the entire amount of money may be utilized by the Department. I know that I have been trying to get several counties in my district who need the benefits of that program, and I have always been told by the Department that there was a shortage of funds. So I am delighted to hear the gentleman will offer an amendment to give the Department the full amount of their request.

Let me state that I certainly wish to compliment this committee in making additional funds available for tobacco research. I know any effort to materially reduce our tobacco support price program would destroy the economy of all the tobacco producing States.

I have approximately 20,000 growers in the district that I am privileged to represent. Most all are small growers who would not be in a position to realize any cash income from their farm efforts without this support price program.

This program has worked well over a period of years without any cost to the Government. We should concentrate on research with the view of finding some of the answers instead of attempting to destroy a program that has worked so well over a period of years.

Mr. WHITTEN. I do not know that we should push the Department too rapidly. We do provide some funds for them to get some specialists to help advise them to enforce rules and regulations in connection with food stamps, in order to make sure that they do not spend those stamps for something that is not contemplated by the act. We have to have a good enforcement program policy to go along with an expansion program. Otherwise a few bad cases could ruin what might be a good program.

Mr. PURCELL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. PURCELL. On page 23 of the committee report which deals with the Statistical Reporting Service—that is the place concerning which I should like to ask my question.

Page 23 of the committee report deals with the Statistical Reporting Service. My question deals with the last sentence in this section concerning cattle-on-feed reports. This sentence reads, "In the opinion of the committee, these activities are essential and should be con-

tinued," referring to the Statistical Reporting Service.

It is my understanding that the committee believes there should be no reduction in the number or frequency of cattle-on-feed reports as they have been issued through the current fiscal year.

Mr. WHITTEN. That is correct.

Mr. PURCELL. My question is, Is my understanding correct?

Mr. WHITTEN. That is the intention of the committee.

Mr. PURCELL. If the gentleman will yield further, may I ask one further question?

Mr. WHITTEN. Yes.

Mr. PURCELL. The committee has included in the bill the sum of $2.8 million for the maintenance of barriers on the Mexican border for the screw-worm eradication program. The Department requested $5.5 million.

Is it the feeling of the committee that the sum approved of $2.8 million will be sufficient to maintain the barrier zone at its very effective present level of control?

Mr. WHITTEN. I certainly think that the money contained in the bill will be adequate to carry on an effective barrier zone. We also have some funds in the bill with which to keep up spot checks in order to be sure that the program is working.

We had some misgivings about the idea of undertaking a program of screw-worm eradication in Mexico, with Mexican cattle and cattle of the United States being in a competitive position. But, certainly, when we found only 240 screw-worms last year in this whole area, apparently the screw-worms are eradicated. For this barrier zone, it is the opinion of the committee that these funds are ample to take care of the job.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. ROOSEVELT. I thank the gentleman very much and I hope the gentleman will forgive me for not being an expert in agriculture. However, my attention has been drawn and I have been requested to ask the gentleman a question relative to the appropriation which is found on page 54 of the committee report under "Agricultural conservation program."

The appropriation last year was $225 million. The Bureau of the Budget requested or estimated the sum of $220 million, which the committee approved.

The question as I understand it from those who have written me, and in particular the California Seed Association through its president—their request is to know whether this reduction of $5 million is primarily intended to be for administrative expenses, or does it in any way represent a curtailment of the existing or proposed programs?

As the gentleman knows we have water and erosion problems in the West which are of particular importance to us.

Mr. WHITTEN. May I say to the gentleman from California [Mr. ROOSEVELT], the program we announce each year establishes the program level for the next year. Once it is announced, we are committed to the program. It is a case of the Government owing money and we are going to pay off what we owe. This is our guess as to the amount which will be required for this purpose. This does not reduce the proposed program at all. The 1965 appropriation included an extra $5 million to meet unpaid prior year commitments.

Permit me to mention this one thing further to the gentleman. We have all received many, many letters from people interested in the Soil Conservation Service.

Back earlier a recommendation was made to the Congress to charge back $20 million to the participants. That was a recommendation but there was never any legislation on the matter insofar as I have been able to ascertain. No one has ever introduced the bill, and the full amount including the $20 million was before our committee. Let me assure the gentleman that the committee provided the funds that were before it. The agitation was about legislation which was never introduced.

We have tried to meet that program here. May I say further that our committee only a few weeks ago provided in the supplemental bill $10 million to the west coast where we pay up to 80 percent of the cost in the effort to redeem and reclaim land. We did the same thing with reference to the Appalachia program.

The agricultural conservation program for next year has been restored back to that of recent years' levels. It is our belief that it is a lot more sound to have the participation of 1.2 million people in trying to keep the land intact than coming in with a program such as the Appalachian program in order to restore damaged and eroded land. In other words, it is better to spend a little bit as we go along in trying to keep the land intact as best we can.

Mr. ROOSEVELT. I thank the gentleman very much and I think the gentleman has made it very clear. Our fear was that certain southern programs and midwestern programs would be continued at such a rate that they would be so continued at the expense of certain western programs.

Mr. WHITTEN. That is not true and, certainly, this does not effect them at all. The basic law provides a formula for distribution.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Arkansas.

Mr. MILLS. I appreciate the gentleman's yielding and I want to thank the gentleman and the other members of the committee for a very fine job which they have done on the bill itself.

I have a question about the appropriation for the Rural Electrification Administration.

I realize that the gentleman's committee has included in the bill the exact amount asked by the Bureau of the Budget; but in view of what is said by the committee with respect to continuing and increasing needs in this area, I wonder if the gentleman, who is interested in the subject as I am, feels that this amount of money plus the contingency reserve provided will be adequate to meet the general requirements of the Rural Electrification Cooperatives.

Mr. WHITTEN. I believe so. We try to set that ceiling high enough so there will be money in each State for bargaining by the local co-ops to get reasonable rates and terms. Now, there are funds pending that the Bureau of the Budget can release from last year's contingency. I am told there are many reasons why they should go ahead. I do not know about that of my own knowledge. However, it is not the intent of the committee that they hold those funds when they are needed to meet the growing needs of the REA program.

Mr. MILLS. I thank the gentleman.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. MICHEL. I was going to make a point referred to in the colloquy of the chairman with the gentleman from California [Mr. ROOSEVELT]. As the gentleman says, and as pointed out in the supplemental, that item came to about $10 million, a substantial amount for those Western States, and his home State of California was included.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. ICHORD. I want to commend the distinguished gentleman from Mississippi for the outstanding job he has done once again in bringing this bill before the House. I am greatly appreciative of the profound knowledge the gentleman in the well has with reference to agricultural problems, and I think I can speak for all Members of the House when I say that the gentleman in the well is recognized as one of the outstanding and highly respected Members of this body. I have a question about an appropriation for the Soil Conservation Service.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. WHITTEN. I yield myself 5 additional minutes.

Mr. ICHORD. I am very much interested in the Soil Conservation Service appropriations. I observe on pages 52 and 53 of the committee report the comparative statement that the committee has upped the appropriation over the budget estimates for conservation operations in the amount of $1.27 million.

I ask the gentleman from Mississippi, is that as a result of rejecting the so-called revolving fund?

Mr. WHITTEN. The revolving fund, as I said earlier, was merely a recommendation to the Congress to change the law. These recommendations never got off the ground. I do not know of anyone introducing the proposed legislation.

The gentleman's State is one reason for this action to put this money back in here. Missouri for many years had a prohibition against organization of soil conservation districts in the State. A few years ago that restriction was removed. Any State similarly situated is

entitled to come into the national program. So most of the additional funds are put in there to take care of new districts.

Mr. ICHORD. I thank the gentleman for explaining that point. I further note that the committee has reduced the resource and conservation development item $1.49 million.

I would point out to the gentleman from Mississippi, there are 22 applications for resource, conservation and development, pilot programs. I feel very strongly that the soil conservation service will not have a chance to operate on or approve these applications.

Mr. WHITTEN. May I say to the gentleman, this matter is one of judgment. This is a new program. But the committee did not mean to eliminate any specific project that the department might have in mind to approve. We have not approved these project by project. But you can imagine when we come in here and our colleagues are looking to us to hold the appropriations in this bill in line with other departments, you can see somewhat the problem we have on our bill, especially when our bill was cut a billion dollars before it came to us. So our action was not taken as in any way restricting these projects. I just would like to express that under the circumstances we are trying to do the very best we can and match these matters with other things that were in this bill.

But I do want to assure the gentleman we had no intention of cutting down any project in which he or any other Member might be interested, and I am sure this subject will have the consideration of this committee in its further deliberations.

Mr. ICHORD. Of course, you have 10 projects in existence at the present time under operation, but this will eliminate, as a matter of fact, the likelihood of future programs being approved.

Mr. WHITTEN. Of course, with $1,400,000 less they cannot do as much as if they had the full amount of money. But by the same token, our action is not the end of this bill. It goes to the other side of the Capitol and then to conference.

Mr. ICHORD. I thank the gentleman.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. NELSEN. A moment ago reference was made to the Rural Electrification Administration. I will say to the gentleman in the well of the House, who has always been a champion of this program—I know this to be true because I was the administrator of REA—and I can assure this body that the gentleman from Mississippi [Mr. WHITTEN] will do everything he can to protect that program.

But I would like to make this observation and I would be interested in the observation of the gentleman. It has been traditional in that program that the administrator refrain from political activity.

I am happy to see on the floor the gentleman from Illinois [Mr. DAWSON], chairman of the Committee on Government Operations. He was one of those who admonished me to follow the tradition of that program. But in recent years the administrator has involved himself not only in congressional campaigns but in campaigns for State senator in one district. The Hatch Act and the Corrupt Practices Act have been violated within the agency in the way of solicitation of political funds from employees within the agency. I want this to be a matter of record, and I am sure the gentleman now in the well will agree with me, that the great value of this program and its very effectiveness has been in the bipartisan support that it has had, and I am sure the gentleman would endorse my statement when I say that we should try to keep it that way.

Mr. WHITTEN. May I say this subject was developed in the hearings and the present administrator made it quite clear in the record what actions he had taken in answer to questions. I remember he said he would be clearly out of place if he used his position in any way politically, but that he was in Class A classification where he is subject to being hired or fired without regard to civil service. He expressed himself on his own time in a political way and I am hardly in a position at this time to say one way or the other.

Mr. NELSEN. I understand that but in the act itself when I came into the agency, I was admonished by counsel in the agency that the administrator should not involve himself in campaigns. Now I speak with some authority because the administrator was in my own district and I should send him a thank you note because I got a pretty good plurality.

Mr. WHITTEN. May I say I am not an authority on many things. Certainly the gentleman is informed and has knowledge on his own as to exactly what is and what is not appropriate. But I can only say the present administrator in all candor spelled out what was the situation and should there be anything beyond what is right, I am sure the appropriate authorities can act on it.

Mr. BATTIN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Montana.

(Mr. BATTIN asked and was given permission to revise and extend his remarks.)

Mr. BATTIN. Mr. Chairman, in considering the appropriations for agriculture I would like to remind my colleagues, although I doubt that any of us need reminding, of the great amount of time, effort, study, and real experience that went into the reports and recommendations made by the subcommittee headed by our good friend, JAMIE L. WHITTEN.

It is always a pleasure for me to testify before his committee on the needs of farmers and ranchers in Montana because I know he understands the many problems of the men and women of our Nation who make their living from the soil and provide this country with the greatest agriculture abundance in the world and help feed and clothe the needy in many other countries.

Soil and water conservation in Montana and the Great Plains area is, of course, vitally important not only now but to future generations and I am always reminded of Chairman WHITTEN's speech here when I first came to Congress. I remember well and vividly his remarks in 1961 in which he pointed out that the thin layer of crust on the earth's surface was necessary to produce the food to feed, actually, the world. Since that time, I have been most interested in the betterment of the soil and water conversation services in which the chairman is so well versed and interested.

Funds for these programs are included in these appropriations, and there is also some very interesting reading in the reports of the hearings on soil and water conservation. In fact, I would recommend these reports as a liberal education in agriculture.

In addition to soil conservation, the committee has looked into all aspects of the farm and ranch picture and the many and complex problems with which our farmers and ranchers are confronted.

The committee in these reports included the results of a very thorough investigation they had conducted into the problem of meat imports, a matter of considerable concern to Montana, one of the leading beef, lamb, and mutton producing States. The statistics, data, and other information the special investigating committee produced is well worth reading, and I would like to especially commend the chairman and the entire subcommittee for the most thorough and excellent job they have done in considering this appropriation and especially compliment Chairman WHITTEN again for his thorough and sympathetic knowledge and understanding of the farm problem.

We are indeed fortunate to have a man of such knowledge and experience as chairman of this committee, and I would like to join in thanking Chairman WHITTEN for the long hours and real effort that went into the report on this bill.

Mr. STALBAUM. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Wisconsin.

Mr. STALBAUM. I wish to join in commending the chairman of the Appropriations Subcommittee for the Department of Agriculture for the excellent job he has done in presenting this bill and the report to the committee.

There is one appropriation item which I should like to bring to the chairman's attention, for comment. The item relates to the school milk program.

I note from the report that in past years some $51.5 million has been appropriated, and an equal amount has come from section 32 funds, so that the net total available for the school milk program in the country has been $103 million. This year the committee has recommended to the Congress $100 million, or a reduction in the total of $3 million.

I further point out for the RECORD, in deference to the chairman, that this was the full amount requested in the budget, when sent to the committee.

I note from page 26 of the report that there will be an increase in the number of schoolchildren enrolled of more than 1 million for the coming year. It would seem that if the program were to continue, even at a constant level, the appropriations might well have been increased rather than decreased.

Mr. WHITTEN. I say to the gentleman that two or three things are involved. The gentleman might be surprised to learn it, but I represent a rather large dairy district.

The section 32 funds, from which the $51.5 million came last year, have been set aside by law to take care of surpluses, and to support prices by going into the market and buying up surpluses. It has reached the point that section 32 purchases in this instance were getting to be a regular market for milk, rather than a strengthening of prices in regard to surpluses.

The committee went along with the budget request, but there are some circumstances involved which make many people wonder whether the milk program is as sound as the school lunch program.

I say to the gentleman that the Government reimburses nearly as much for the one little glass of milk as it does for the whole school lunch. So long as the Government is spending $100 million, and so long as the dairy interests—and I have plenty of them—are getting nearly as much contribution for that little glass of milk, as there is for the whole school lunch program, I question whether they should raise the point.

Mr. STALBAUM. Do I correctly understand from the gentleman's statement that it is hoped, through this appropriation—I note there has been an increase in the school lunch program appropriation—there will be a transfer of certain amounts from the school milk program over to the school lunch program, which I agree is a better program?

Mr. WHITTEN. We really are not trying to do that. We went along with the budget request in each instance. And I say to my friends that we are not doing badly when $100 million is being set aside to become a regular market for milk. Under the circumstances, it seemed to us that to exceed the budget request was just a little more than we should do.

Mr. MICHEL. Mr. Chairman, I yield myself 15 minutes.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, first I wish to call your attention to the overall figure in the bill which now is in the neighborhood of $5.7 billion and, according to our report, reflects a decrease compared to last year of roughly $1.1 billion.

Now, let us not get overly excited about this apparent saving in the cost of running the Department compared to last year. We need only to think back to the early part of this year, when the first supplemental appropriation bill was presented to the Congress in the amount of $1.7 billion. We subsequently enacted a $1.6 billion supplemental appropriation bill for the Department of Agriculture. In that one big area of restoration of capital impairment of the Commodity Credit Corporation, there will be, at the end of this fiscal year, a carryover, because of that supplemental appropriation, of some $800 million to carry on the operations of the Commodity Credit Corporation in local currency sales of our surpluses around the face of the globe.

I would call your attention to a language change proposed here which would make the interest on these borrowings of the CCC for these price-supported commodities payable on a current year basis. This will reflect itself in a decrease in interest costs to the Department of Agriculture, for example, if this language is adopted, of $196 million in 1964 and $204 million in the current fiscal year. In other words, when the CCC takes title to some of these commodities around the country and does not dispose of them over a period of years, of course, the interest has to be paid on those borrowings, which accumulates to the point sometimes where it is rather ridiculous. However, whether the language stays in or comes out, I did want to bring the committee's attention to that particular figure.

Then on page 7 of our report we have some enlightening figures. I would call particularly to your attention the increase in the cost of the feed grains program from $646 million to $883 million in this current fiscal year.

I would also call to your attention particularly the increase in the cotton equalization payments from $63 million in 1964 to $483 million in 1965. Remember, that was that great wheat-cotton bill that got jammed down our throats a short while ago. This gives you an idea of the kind of an increase in cost involved in that one program.

May I also point out in the item of the Commodity Credit Corporation loan, purchase, export and related programs the figure of $1,238 million for 1964 and then an insignificant figure of $121 million for 1965. Really, this change is due primarily to changes in loans held by banks. In 1964 loans held by banks at the beginning of the year were $834 million and at the close of the year were $377 million. So the effect of the expenditures in 1964 is that it was up $457 million. To take the reverse figure juggling, in 1965 at the beginning of the year loans held by banks were $377 million. At the end of the year they were $835 million, or a supposed decrease of $458 million. It really gets involved in some real good figure juggling on a close analysis.

May I direct your attention, if I might now, to the figures also in the report with respect to employment in the Department of Agriculture. These figures I will give you today are a little bit more up to date because they carry a date of April 30 as against Februry, which is contained in the report.

Permanent full-time employment was 77,587; temporary full-time employment, 4,851; part-time employees, 18,443. That makes a total of 100,881. Now, add to that, if you will, cooperative extension agents, 13,741 and ASC county committee employees, 15,546, and you have a total for the U.S. Department of Agriculture employees of 130,168.

We have heard an awful lot about the exodus from the farm, with from 100,000 to 140,000 farmers leaving the farm every year. It seems a little bit of a paradoxical situation that all the time the farmers are leaving the farm, nonetheless the employment in the Department of Agriculture goes up. There are some legitimate areas for this, for example, in the field of meat inspection. I did not vote for that legislation several years ago, but obviously a majority of the Congress did require meat inspection for that meat which travels in interstate commerce. So this year we have an increase in 1 year of 300 additional meat and poultry inspectors with a budget request of 330. There is nothing we can really do about it, because the law says it is what we have to have in order to inspect the meat if it is going in interstate commerce. I will say, however, that the committee has been rather distressed at this rapid increase in the number of people necessary to do this work. We have been bringing pressure to bear on the Department to consolidate their meat and poultry inspection in order to get the most out of each employee.

In the area of research I made mention in the HEW bill several weeks ago that this is a great sacrosanct area; for research—anything goes. For general research activities in the Department you have $187 million; cooperative State research better than $50 million; economic research better than $11 million, a total of $248 million, or practically a quarter of a billion dollars in the name of research in the Department of Agriculture. Of course, this benefits everyone in the country.

Mr. MIZE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman.

Mr. MIZE. The gentleman's committee heard considerable testimony on the importance and necessity of the establishment of a National Grain Marketing Research Laboratory. I notice that you did not provide any funds even for planning such a facility. Did the committee go into the subject pretty carefully, as I hope they did?

Mr. MICHEL. The gentleman, of course, made a very eloquent presentation to the subcommittee, as did some of the other members interested in this particular project. As the gentleman well knows, we are besieged with requests for this facility and that facility, and for a little expansion here and a little expansion there. But there is some limit to what we can approve. We try to go along with a request here and with a request there. We hope that the gentleman will continue in his efforts because I think he made a very good case for his project.

Mr. MIZE. I thank the gentleman; I shall be back next year.

Mr. MICHEL. Mr. Chairman, I did want to make mention, too, before I go further with this overall cost figure of

running the Department and what is involved here, that in 1960 direct Government payments to farmers totaled $693 million in this feed grains area, payments under price supports, and so forth. In 1964 those direct payments to farmers had come to $2.2 billion. By 1965, this year, it is $2.5 billion in direct payments to the farmers. While parity is declining and they say net income is going up, surely it is going up because of the largess of the Government and because of direct payments to the farmers.

Incidentally, I will be offering an amendment at the appropriate time to limit payments of this kind under the Wool Act, Feed Grains and Wheat Act, to no more than $25,000 or $30,000. There may be some opposition to it, even at these astronomical figures. I urge my colleagues to think about it seriously when we get to that amendment.

Now, I mentioned research. We have research programs going to utilization and production of all the feed grains and all the basic crops, plant and animal diseases, pest eradication, and so forth. We have programs for eradication of brucellosis, hog cholera, scrapie, screw-worm, sheep scabies, sinusitis, trichinosis, and tuberculosis. And for plant disease and pest control we have the boll weevil, cereal leaf beetle, citrus blackfly, fire ant, gypsy moth, Japanese beetle, khapra beetle, soybean cyst nematode, witchweed and maize dwarf mosaic.

For each of these programs we have got to sit there as members of this subcommittee and listen to the arguments in support of increasing amounts of money to eliminate these diseases and these pests that plague the country. I am happy to say that in some areas we are seeing some very strikingly good results.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. GROSS. You did not have a request for funds for research on the rhinocerous beetle, did you?

Mr. MICHEL. I do not recall that one. Certainly if there is a problem there, I am sure that there is some project in the bill for that.

Mr. GROSS. They want some money under the foreign aid bill for that kind of research.

Mr. MICHEL. It may be that in foreign affairs they do have that problem. That is what we are trying to do, to keep those problems from coming to our shores.

Mr. GROSS. I just wanted to be sure if you were going to spend some money on that research project that we would not be spending it under some other department of the Government somewhere else.

Mr. MICHEL. I will have to agree with the gentleman. We do not want a duplication of effort.

Also I would like to say a word or two about the tremendous work being done in soybean research.

Mr. Chairman, on page 15 of the report, it is pointed out that the amount recommended by the committee for agricultural research will permit present soybean production research to be carried forward on a regular basis.

Mr. Chairman, let us take just a moment's time to consider the remarkable growth of the soybean industry during the last quarter century, and its practical meaning:

To the United States: It shifted our country from dependence on imports to the largest exporter of fats and oils in the world. Give major credit to the soybean:

To the American farmer: It means an annual cash income of more than $1.5 billion, and a profitable market for the output of more than 30 million acres of cropland—without Government controls.

To the consumer: It has meant freedom from reliance on uncertain import supplies to meet oil and fat needs, and abundant supplies at reasonable prices of a most important, healthful, high-energy food—soybean oil.

To labor: It has brought millions of man-hours of work at good wages.

We in Illinois are proud to be a hard working factor in the growth of this great industry in storing, transporting, processing, and of course growing the soybean.

Mr. Chairman, I will extend my remarks in more detail on this subject.

Mr. MARTIN of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Nebraska.

Mr. MARTIN of Nebraska. I am very happy to note that on page 15 of the committee report on this appropriation bill that the sum of $100,000 is provided in order to initiate the animal research center at Clay Center in Nebraska and this amount is included in the appropriation bill.

I want to compliment the gentleman's committee and the gentleman from Mississippi [Mr. WHITTEN], the chairman of the committee, for your awareness of research in regard to agriculture.

As the gentleman from Illinois knows, I filed a statement with the gentleman's committee in regard to this research project at Clay Center, Nebr. This project consists of 10,000 acres which the U.S. Department of Agriculture recently took over from the military in order to set up an animal research center and eventually, as I understand it, to expand this research into other areas.

The request from the Department was for $600,000, $300,000 for development of land research, and $300,000 in order to get started on the construction of the buildings and facilities in this area.

I am sorry that we did not get the entire $600,000, but I am glad that the gentleman's committee recognized the importance of this new research center at Clay Center, Nebr., and did make this initial appropriation.

I would also like to call the gentleman's attention to the fact that our animal research station at Fort Robinson, Nebr., in the northwestern part of the State is being phased out, and their activities will be transferred under the plan of the Department to Clay Center, Nebr.

Therefore, this initial appropriation is not entirely new spending because of the savings that will result at Fort Robinson.

I hope the committee in its wisdom will grant to us additional appropriations in the future.

Mr. MICHEL. I want to say to the gentleman from Nebraska that we appreciate the good statement that he gave to the subcommittee. The gentleman from Nebraska sees that his program has gotten started, and we shall certainly treat his project and other programs that are meritorious with sympathy before our subcommittee. I again thank the gentleman for his contribution in helping us to do what we believed to be the right thing.

Mr. Chairman, in the area of soil conservation I believe the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN] has pretty well allayed the fears that many of us have received from our districts, and I am glad to say that the subcommittee did not see fit to set up any kind of a revolving fund or cut out here or there where we really had no authority to do so and that we have kept abreast in that all-important area of soil conservation.

Mr. Chairman, I also am somewhat concerned about the Rural Community Development Service.

The Rural Community Development Service has been established as a new agency in the U.S. Department of Agriculture. It succeeds the Office of Rural Areas Development. It provides for general staff coordination of the rural areas development activities of the Department. In addition, it will undertake to facilitate the effective extension into rural areas all the assistance programs of other Federal agencies which are applicable to these areas.

The request was for an appropriation of $750,000. In addition, a transfer of $378,500 from the Area Redevelopment Administration is requested, subject to the extension of the Area Redevelopment Administration Act.

The size of the appropriation request is nominal. But what the Department intends to do with this money is of major consequence. And if this new agency expands according to the program mapped out for it, the size of the appropriation will be of major consequence sooner than you think.

It behooves every Member of Congress to understand what the rural areas development program really is; how the RAD program has been sold to the public and the Congress; and what the consequences are liable to be if the Rural Community Development Service is authorized to intervene between every Government aid program and the local applicants on every issue that comes along, whether it be agricultural, municipal, or industrial.

Mr. Chairman, I have some further remarks on this subject that will appear in my extension of remarks.

Now, Mr. Chairman, I would like, if I might, to amplify again or in part what the chairman said with respect to the food stamp program and direct distribution.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MICHEL. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, we now find in the food stamp program some 386,000 persons participating and that the participants here are contributing a certain amount and are then getting a certain amount in stamp equivalent. However, I find that the spread here is such that a person can contribute as little as 15 percent in cash and receive 85 percent in stamps, or could contribute as much as 85 percent in dollars or cash and receive the equivalent of 15 percent in stamps.

This is the high and low of this program. In other words, if someone put up $2 they could get the equivalent of $10 in stamps, or if they put up $18 in cash they could get the equivalent of approximately $30 in stamps.

I just added up a few figures to give the Members a little idea of what is involved in here in this direct distribution and food stamp, school milk and school lunch program. In this fiscal year, 1965, of course we have $60 million for the food stamp plan, $197 million for direct distribution to the needy persons alone, another $136 million for direct aid to schools, $37 million in aid to institutions, or a total of $430 million of direct distribution of food over and above the regular school lunch and school milk programs. Both of these combined are $255 million.

So you are really talking about $700 million of distribution of agricultural surplus commodities, some of those not even in surplus.

In the year 1966 the projections are they will be increased because in this bill under the food stamp plan there is $100 million, and to needy persons where they contribute nothing, $225 million, direct distribution to schools $136 million at this current level, and $37 million to institutions at the same level, or a total figure of a half-billion dollars. So we are not selling ourselves short, by any means, in this program.

I may say in this past year a good part of that for schools and for institutions was in connection with meat, beef, frozen beef, and roasts, to institutions and to our schools. This program is in 1,664 counties around the country, and represents some $5.8 million, a slight decline from better than $6 million last year.

Incidentally, the direct distribution of items here involve dry beans, butter, corn meal, flour, grits, nonfat dry milk, rice, and rolled wheat.

These are purchased from the Commodity Credit Corporation; and, under section 32, canned beef, frozen beef, to schools, and in 1964, turkeys, lard, peanuts, apples, cranberries, date pieces.

So I think we are doing pretty much in this particular area.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I would like to ask the gentleman from Illinois if funds were included in the bill providing for the funding of six new Laboratories, one of them to be located at Mesilla Park, N. Mex.?

Mr. MICHEL. That is true. I have forgotten the page.

Mr. RHODES of Arizona. Page 15.

Mr. MICHEL. We have addressed ourselves to that particular problem. Some of these specific areas are not mentioned, but the gentleman will find a specific reference to the Laboratory.

Mr. RHODES of Arizona. It is the intention of the subcommittee that these laboratories be constructed and funds were included in the bill for that purpose?

Mr. MICHEL. Yes.

Mr. RHODES of Arizona. I thank the gentleman.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Ohio.

Mr. LATTA. Information came out on the floor, later confirmed, that five or six of these pilot areas were in certain congressional districts. I would like to know, during this last year, if this program has been administered along strictly political lines, or whether some of this money has gone into certain congressional districts?

Mr. MICHEL. As I recall the testimony in subcommittee, I did not include any specific questions of the witness that would disclose whether or not political partisanship was being practiced. I do recall some time ago some very pointed questions were asked in this area. I am at a loss to give the gentleman an honest answer because I simply do not know. The gentleman serves on an agricultural subcommittee. If he knows of any instance I would like to have that specifically brought to our attention so it can be corrected as best we can.

Mr. LATTA. In Ohio the pilot plant shown on page 129 of the record, as of March 31 only two counties, Lucas and Cuyahoga, were included. Then we come on to the plants of April 1, 1965, and Hamilton County was added. My district borders on Lucas County, we have a few hungry people there in Ottawa who have made inquiry about this program. To date they have not done that, of course. The information should be supplied here in the RECORD. I think this is something that certainly your committee ought to look into because you are appropriating the funds. I was listening very carefully and I think the gentleman mentioned $100 million was being appropriated for this.

Mr. MICHEL. The bill, as it is before you, is $75 million. But there will be a committee amendment offered, I understand probably by the gentleman from Kentucky [Mr. NATCHER] to bring that up to the total budget figure of $100 million. Personally, I think we are moving a little too fast in this area because I do not know for sure that they can use all of the $60 million they have this year judiciously.

I do think in defense of the Department officials who are administering this program that they do want to do it right, and you can only move so fast. As a matter of fact, we gave some money, I believe, for an increase in the Inspector General's Office of the Department to make absolutely sure that in some of these areas there is no chicanery and that it is being done and administered correctly.

Mr. LATTA. So on the basis of new information furnished the committee since the time you reported this bill, there is a need for this additional $25 million?

Mr. MICHEL. I am given to understand from several sources that there are enough applications on file that conceivably $100 million could be used. I personally rather doubt it, but if there is any measure of doubt that any one section of the country is being discriminated against in favor of another, I then would rather resolve the thing and say, Look, here is all the money that can possibly be spent, now let us get on with the program and administer it properly.

Mr. LATTA. I would like to move on to one other subject, and that is the matter of the cereal leaf beetle.

Mr. MICHEL. There is a $500,000 item in here, I believe, for the cereal leaf beetle.

Mr. LATTA. On page 50 of the hearings in answer to a question by you, is there an increase in the budget this year for the cereal leaf beetle, the reply by Dr. Rodenhiser was, "Not for research."

Mr. MICHEL. I think we are at that point where we do not need more research in this area. What we really need is eradication. We can only research these things so far and then we have to do something about implementing the research. Personally I am at that point where we have given them money before for research, and I think now is the time to let us get on with the business of eradication.

Mr. LATTA. That is a real problem out in Ohio and Illinois.

Mr. MICHEL. And in Michigan.

Mr. LATTA. And it is spreading. I think a little more attention should be given to this problem than has been given to it in the past by the Department of Agriculture. I know that come harvest time for wheat or oats, we are going to have a real problem out there. The same thing with corn. I wish your committee would urge a little more research because in answer to some of the questions you put on this subject, they have not come up with an answer other than the importation of some wasps or something of that nature, and I do not think that is going to solve the problem.

Mr. MICHEL. The gentleman's point is well taken and I assure the gentleman we will do the best we can.

Mr. LATTA. I thank the gentleman.

Mr. HOSMER. Mr. Chairman, will the gentleman yield.

Mr. MICHEL. I yield to the gentleman.

Mr. HOSMER. I think it was brought out one time here that the ratio of employees of the Department of Agriculture to farmers in the country was at least equal or perhaps greater than 1 to 1. I wonder if the gentleman can give us any information as to what the ratio is currently?

Mr. MICHEL. I do not have the ratio exactly of the number of employees to the number of farmers. I believe the gentleman from Michigan [Mr. GRIFFIN], several years ago offered an amendment, which was adopted on a voice vote, which

provided that in no case should the number of employees in the Department of Agriculture exceed the number of farmers. I believe the point was very well taken at that time.

Mr. HOSMER. I believe the amendment was only a 1-year amendment. I am fearful that the current administration has built up the employment rolls of the Department of Agriculture above a 1-to-1 ratio.

The committee does not have any information on this point?

Mr. MICHEL. Not specifically, no.

Mr. HOSMER. I thank the gentleman.

Mr. MICHEL. Mr. Chairman, I should like to move on to one or two other items now.

In the Rural Electrification Administration we do have $350 million for loans, with $65 million to be retained in a reserve. This represents a $15 million reduction from last year, but in my opinion certainly the amount will be adequate to meet all of the needs of the REA. The committee has recommended the full budget estimate of $350 million for electrification loans for 1966. Of this amount $65 million has been placed in a contingency reserve for use by the Administrator during the fiscal year if deemed necessary by the Bureau of the Budget for the orderly development of the program.

I want to make it crystal clear that I too favor orderly development of the REA program as do all members of our committee as well as this body. I do not believe that orderly development necessarily results from supplying an agency with all the funds requested from the executive branch. REA has never been required to itemize its requirements or to justify its requests for funds with any detailed breakdown of the intended use of such funds. REA requests lump-sum authorizations from our committee and justifies its need on the basis of what it estimates its borrowers will request.

In effect, they say "Here is the amount of money we need. We think our borrowers will apply for $800 million so on this basis, we'll need about $400 million. You will just have to trust our judgment as to how these funds are to be handled."

Do not take my word for it, gentlemen. Just turn to their justifications on pages 394 and 395 of our hearings and read it for yourself.

I do not believe that orderly development or an orderly program results from any such loose estimates of the need for public money by a Government agency. REA may be right. But on the basis of the information they furnish Congress they cannot be provided right or wrong. This basically is where I part company with REA—to me it is bad Government fiscal policy—and one that Members cannot honestly justify with their conscience or their constituents.

I am glad to report that in the field of rural telephone service there is an increase of some $27 million to beef up telephone lines to rural communities around the country. The total now in the bill is $97 million, and $7 million of that will be retained in a reserve.

In this item, perhaps, in the future there will have to be some corrective measures taken, but in my memory of the days on the farm, there were 8 or 10 or 12 party lines, which were adequate. Of course, that was old fashioned. Today we all expect something better. Those of us who live in the cities, I suspect, all want single party lines. That is the trend on the farm, to bring the service down from four party or two party lines to single party lines, in some instances. On the subject of REA I shall have some further remarks in my extension.

Mr. Chairman, I wish to close with one or two observations on the sales of commodities under Public Law 480 agreements with certain countries abroad.

In this bill, Members will find $1,658 million for the Commodity Credit Corporation. That is quite a reduction, from last year. Again I would call your attention to that supplemental request which provides, practically, for a $800 million carryover in the new fiscal year.

With respect to the United Arab Republic, no authorizations to utilize the remaining funds in the 3-year agreement—signed in October 1962 to cover the 3 fiscal year period, 1963 through 1965—have been issued by the Department of Agriculture, since the action of the Congress on the CCC supplemental appropriation bill last February.

Members will recall the anti-Nasser amendment at that time. While derided in some quarters and applauded in others, apparently it has had a salutary effect.

Nothing is known beyond this as regards Public Law 480 agreements. The total value and commodity composition of the title I agreement is shown in a statement which I will insert in the RECORD:

STATUS OF PUBLIC LAW 480 AGREEMENTS WITH SELECTED COUNTRIES

United Arab Republic: No authorizations to utilize the remaining funds in the 3-year agreement signed in October 1962 to cover the 3-fiscal-year period—1963 through 1965—have been issued, since the action of the Congress on the CCC supplemental appropriation bill last February. Nothing is known beyond this as regards Public Law 480 agreements. The total value and commodity composition of the title I agreement is shown in the attachment.

Commercial exports from the United States to the UAR during fiscal year 1964 totaled $3.5 million. These were agricultural commodities.

In addition to wheat and flour the most important commodities imported in terms of quantity and value have been corn, edible oil, and tobacco.

Yugoslavia: A title IV, Public Law 480 agreement for approximately $53 million worth of wheat (approximately 700,000 metric tons) was signed in March 1965. It is possible that additional title IV agreements may be concluded. No title I agreements are expected to be considered or concluded.

The title IV agreement concluded last year provided, in addition to about 400,000 tons of wheat, 115,000 bales of cotton, and 36,000 metric tons of edible oil.

Yugoslavia's commercial purchases of agricultural commodities from the United States during calendar year 1964 totaled approximately $15 million.

Poland: There has been no request from the Polish Government for a title IV agreement. The Poles are apparently debating whether the 5-year payment terms, which can be offered under title IV, are of sufficient interest to induce them to consider a title IV agreement. No title I agreement is contemplated.

Two title I agreements with Poland were concluded last year. The first one provided for conversion of the local currency payments into dollars over a 3-year period. It consisted of the following commodities:

Poland

[Dollar amounts in millions]

Commodity	Approximate quantity	Export market value	Estimated CCC cost
Wheat	325,000 metric tons	$21.0	$31.8
Rice	10,000 metric tons	1.4	1.9
Cotton	34,000 bales	4.8	8.3
50 percent ocean transportation.		3.0	3.0
Total		30.2	45.0

The second title I agreement provided for conversion of the local currencies into dollars over a 40-year period. It consisted of the following commodities:

[Dollar amounts in millions]

Commodity	Approximate quantity	Export market value	Estimated CCC cost
Wheat	150,000 metric tons	$9.7	$14.7
Edible oil	45,000 metric tons	10.8	10.8
Cotton	40,000 bales	5.7	9.8
Tobacco	1,500 metric tons	2.6	2.6
50 percent ocean transportation.		1.9	1.9
Total		30.7	39.8

In addition Poland was required to purchase commercially from the United States during 1964 at least 200,000 metric tons of corn or other feed grains; 66,000 bales of cotton; 5,500 metric tons of edible oil or tallow; 10,000 metric tons of rice, plus additional commodities from the United States to bring the total commercial purchases up to at least $30 million. Poland's actual commercial purchases of agricultural commodities from the United States totaled $44 million during calendar year 1964.

Indonesia: No Public Law 480 agreements are in effect and none is in prospect. U.S. commercial exports of agricultural commodities to Indonesia in fiscal year 1964 was $3 million. Corn was one of the important items.

CURRENT STATUS OF UNITED ARAB REPUBLIC AGREEMENT, TITLE I, PUBLIC LAW 480

The current multiyear title I, Public Law 480 agreement with the United Arab Republic was signed on October 8, 1962. The agreement, as originally consummated, provided for the shipment of $390 million worth of agricultural commodities over a 3-year period, covering fiscal years 1963, 1964, and 1965. There have been five amendments to the agreement to provide additional commodities raising the total export market value of the agreement to $431.8 million.

The original agreement is as follows:

[Dollar amounts in millions]

Commodity	Approximate quantity (thousand metric tons)			Export market value	Estimated CCC cost
	Fiscal year 1963	Fiscal year 1964	Fiscal year 1965		
Wheat and/or flour in grain equivalent	1,100.0	1,600.0	1,750.0	$275.8	$425.4
Corn	100.0	200.0	200.0	24.0	24.0
Vegetable oil	30.0	32.5	35.0	22.9	22.9
Tallow	30.0	37.5	45.0	12.7	12.7
NFD milk	.6	.6	.6	.3	.6
Frozen poultry	.6	.7	.8	1.5	1.5
Ocean transportation (estimate)				52.8	52.8
Subtotal				390.0	539.9

[Dollar amounts in millions]

	Approximate quantity, fiscal year 1964 (metric tons)	Export market value	Estimated CCC cost
1st amendment:			
Tobacco	1,000	$1.6	$1.6
Dry edible beans	1,000	.2	.2
Ocean transportation (estimated)		.1	.1
Subtotal		1.9	1.9
2d amendment:			
Tobacco	11,000	17.7	17.7
Ocean transportation (estimated)		.6	.6
Subtotal		18.3	18.3
3d amendment:			
Corn	100,000	5.5	5.5
Butter/butter oil/ghee	2,000	1.5	3.3
Cheese	1,000	.8	1.1
Ocean transportation (estimated)		1.2	1.2
Subtotal		9.0	11.1
4th amendment:			
Frozen poultry	1,200	.8	.8
Ocean transportation (estimated)		.1	.1
Subtotal		.9	.9
5th amendment:			
Beef	12,000	9.5	9.5
Ocean transportation (estimated)		2.2	2.2
Subtotal		11.7	11.7
Total		431.8	583.8

Mr. Chairman, with respect to Yugoslavia, a title IV, Public Law 480, agreement for approximately $53 million worth of wheat—approximately 700,000 metric tons—was signed in March 1965. It is possible that additional title IV agreements may be concluded. Title IV is different from title I, where we give things away for local currencies. Title IV involves long-term dollar sales.

With respect to Poland, there has been no request from the Polish Government for a title IV agreement. That would be an agreement for long-term dollar sales. The Poles apparently are debating whether the 5-year payment terms which can be offered under title IV are of sufficient interest to induce them to consider a title IV agreement. No title I agreement is contemplated.

Mr. Chairman, unless there are questions, I reserve the remainder of my time.

Mr. Chairman, more soybeans are needed even though 31 million acres were harvested in 1964. It is the third ranking U.S. cash crop in acreage and in value. The consistent acreage increase has barely kept pace with domestic and foreign demand. Soybeans and soybean products have been the leading U.S. agricultural export for dollars for 2 years. Mr. Glenn Pogeler, president of the Soybean Council of America, is enthusiastic about the potential markets which are being actively developed in foreign countries. He believes a billion bushel crop of soybeans can be sold annually within 5 years. The United States supplies over 90 percent of the soybeans and soybean products entering world markets today. An increase in U.S. acreage is expected for 1965 but this cannot be anticipated year after year as in the past. When our acreage maximum is reached, only increased yields will provide more soybeans. The hundreds of thousands of farmers in the 30 producing States feel the economic pressure of a yield ceiling. Production is limited on each acre by a lack of research information.

The soybean production research program under existing funds and with limited personnel had 2.1 scientist man-years for each $100 million of harvested crop value in 1964. That included all soybean production research scientists in the United States—Federal, State, and the one in private industry. The ratio continues to decrease as scientist numbers are maintained while crop production increases.

The yield problem has been present for years. We are a decade behind if additional research workers were to be hired tomorrow. The majority of men employed at present are engaged in research on problems requiring an immediate answer. There are more problems of this nature which cannot be investigated because of lack of personnel. The following list of personnel and projects is necessary to achieve the essential short- and long-range goals of soybean production research. The list is not in order of priority.

First. A plant breeder is needed to improve seed quality in the production area midway between where the northern and southern varieties are grown. Producers in this belt across the United States have special quality problems. A plant breeder assigned to the area would search for genetic resistance to factors affecting quality.

Second. Three plant breeders are needed to develop adapted varieties for specific production areas ranging from the Eastern Shore to Louisiana.

Third. A microbiologist is needed to continue and expand rhizobium research. Superior strains of nodulating bacteria should be identified and a successful method of introducing the strains should be developed.

Fourth. A physiologist is needed to work in the field of mineral nutrition. The addition of plant nutrients has not broken the yield plateau reached several years ago.

Fifth. A pathologist is needed to determine the physiological factors involved in disease resistance.

Sixth. An agronomist is needed to determine the best cultural practices for producing soybeans. No one has this responsibility in ARS today.

Seventh. Several scientists are needed to insure continuity and assist in expansion of present work in soybean investigations. In time these men would assume the responsibilities of senior scientists who will reach retirement age soon. There are nine key positions held by men over 55 years of age or with more than 25 years of service. The restriction in number of scientists for the past decade, while new areas of need have arisen, has not permitted any employment in depth for key positions.

Eighth. Two scientists are needed to develop principles and practices for economic control of weeds in the Corn Belt area to reduce production costs. The soybean industry has repeatedly stated that weed control is a major, recognizable, production problem.

Ninth. Two nemetologists are needed to study nematodes which influence soybean production, ascertain the varying effects of nematodes on soybeans and work with a plant breeder to develop resistant varieties.

Tenth. An agricultural engineer is needed to develop recommended application techniques for herbicides and nematocides.

Eleventh. A team of scientists is needed to determine the optimum soil-water-soybean plant relationship. The efficiency of availability of water in varying quantities at different plant growth stages should be studied.

It is difficult for administrators to employ permanent personnel on the basis of funds granted for 1 year. Additional funds in the amount of $465,000 were allotted by Congress last year for only 1 year. If the committee recommendation that the $465,000 be made available on a permanent basis, two-thirds of the recommendations I have made can be adopted. It is imperative that the $465,000 be made a part of the permanent budget so that progress planned now can be accomplished.

Crops protection research branch and soybean investigations need more manpower for soybean production research. The increase in research is needed to insure continuance and expansion of the economical credits the soybean crop has achieved.

Mainland China's sales of soybeans are increasing. The production of urea to replace soybean meal as a source of protein in ruminant animals is rising at a rapid rate. The protein from an estimated 35 million bushels of soybeans was replaced by urea in livestock feed last year. Other nations raise competing oilseed crops and can provide livestock protein from competing sources. Cost of production must be minimized for the soybean crop in the United States to meet competition in the world markets.

Tables showing the harvested acreage of U.S. crops, value of U.S. crops, change in crop acreages from 1960, crop yield changes for the last decade, and CCC crop inventory for December 31, 1963 are included at this point to depict the increasing importance of the soybean crop to our Nation. It cannot continue in this role under the present research program

Commodity Credit Corporation crop comparisons

Crop	CCC inventory value Dec. 12–31, 1963	CCC inventory value compared to value of 1963 harvested crop [2]	Comparison of CCC soybean value to other crops stored
	Thousands	*Percent*	*Bean inventory value* [1]
Wheat	$1,970,623	93.0	3,127.0
Corn	1,046,096	23.0	1,668.0
Cotton	987,674	[3] 39.0	1,575.0
Sorghum (grain)	649,313	114.0	1,036.0
Barley	36,469	10.0	58.0
Oats	11,286	2.0	18.0
Flaxseed	9,493	11.0	15.0
Peanuts (shelled)	9,447	[4] 4.0	15.0
Rice (rough)	8,140	2.0	13.0
Rye	891	3.0	1.4
Soybeans	627	.03	1.0

[1] Source: USDA, ASCS "Report of Financial Condition and Operation," Dec. 31, 1963.
[2] Source: USDA Crop Reporting Board, Statistical Reporting Service, "Crop Values," 1962 and 1963.
[3] Value of cotton lint used for comparison.
[4] Value of peanuts, picked and threshed, used for comparison.

A decade of yield changes, U.S.-harvested crops

Crop	Average yield per acre			Yield increase in decade (percent)
	Unit of quantity	1950–54	1960–64*	
Grain sorghum	Bushel	19.4	42.4	119
Cotton	Pound	297	476	60
Corn	Bushel	39.4	62.1	58
Rice	Pound	2,411	3,725	55
Peanuts	do	889	1,354	52
Wheat	Bushel	17.3	25.4	47
Tobacco	Pound	1,292	1,880	46
Oats	Bushel	33.9	43.8	29
Potatoes	Hundredweight	151	192	27
Hay	Ton	1.43	1.75	22
Barley	Bushel	27.8	33.9	22
Soybeans	do	20.3	24.0	18
Flaxseed	do	8.7	9.6	10
Sugarbeets	Ton	15.5	17.1	10

Mr. Chairman, production costs can be most effectively lowered by increasing yields. The net profit per acre can be doubled for the farmer producing the average U.S. soybean yield if he raises just 6 more bushels per acre. The net return for the 22.8 bushels per acre produced in 1964 is estimated at $15 per acre. The crop is second choice for most farmers because of the lower profits compared to corn, cotton or more specialized crops. Soybean acreage will probably expand only as long as financial inducements are offered to restrict production of more profitable crops which are in abundant supply.

The whole U.S. economy will benefit from additional research to increase yields for soybeans—a crop produced for immediate consumption. The estimated demand for a billion-bushel U.S. soybean crop within the next 5 years requires almost 50 percent more production. Higher yield potentials must be realized to meet that demand. The existing yield barrier can't be penetrated 2 bushels per acre by research knowledge attained in the past 4 years. Scientists are needed to identify and eliminate the factors limiting yields.

Mr. Chairman, the year 1964 marked Cooperative Extension's 50th year of service to the Nation. In developing the Cooperative Extension Service, the United States invented a unique partnership between the Federal Government and the Land Grant College system that has played an important role in making this Nation the best fed, the best clothed, and the most affluent people on the face of the earth.

Historically, the Extension Service has been known for 4–H Club work, home economics education, the education of adult farmers in production and management, for taking the lead in organizing most o fthe agricultural cooperatives in the Nation and, in short, for being in the forefront of nearly every significant development in the nonmetropolitan area of our Nation for the last 50 years.

Today it is adjusting rapidly to keep up to date with the changing problems and the merging interests of rural and urban people. In my district, which includes both a metropolitan area and significant commercial farming areas, I have been noting many program innovations. Peoria County has a significant new program that utilizes businessmen as leaders in giving young people from the rural areas a chance to study employment opportunities in agricultural industry and to understand the preparations required. In other programs industry representatives are kept up to date on research so that they can help pass on up-to-date technological information as people make purchases. For example, the farm adviser meets regularly with hardware dealers of the area and services them with information. I have also had called to my attention that the educational program includes much more depth for specialized audiences. For example, specialized producers are taking part in short courses that involve 12 to 14 hours of instruction, as contrasted with an afternoon meeting being spent on the subject a few years ago. These programs include, among many others, an outstanding program in farm and family business management with emphasis on credit. I note too that some staff members have been reassigned so that they have the opportunity to specialize and work across county lines in support of these more intensive programs. A significant dimension has been added in home economics through work with disadvantaged families.

Another notable change in recent years has been in area improvement and development work. Local people are asking Extension staff members to help them plan for the development of community and human resources. Marshall-Putnam County, for instance, through such an approach has developed a comprehensive overall economic development plan, and Lee County has a community development program underway.

I cite these examples from my district to indicate that the extension service is making major adjustments within its present resources to keep the program pointed at the significant problem of the day. The hearing pointed out that similar adjustments are occurring throughout the Nation.

The increasing specialization demanded by programs of these types has resulted in extensive upgrading of the Extension staff. Because of increased competition by industry and governmental agencies for these kinds of people, one of Extension's great needs is to keep salaries competitive enough to hold the better personnel in the organization. It is most serious to lose a person to another organization after years of training and developing the individual, because Extension failed to stay competitive by a few hundred dollars. The salary increase problem is being aggravated because many of the present Extension staff are enrolled in graduate study. A survey of all States showed a 67-percent increase in the number of Extension workers holding the master's degree in 1962 as compared to 1956. The same study revealed that a total of 393 State extension staff members were on study leave, an increase of 30 percent as compared to the number on study leave in 1958. An additional 1,818 were enrolled in 1962 for college credit courses while on the job—a 238-percent increase in the past 4 years. These developments make the request for salary increases the highest priority item in the Extension Service total request of $72,800,000 before us.

Federal appropriations to provide the Federal share of funds to the States have lagged behind the general pay raises which have preceded the salary bill now before the Congress. In discussions and committee reports, both Houses of Congress have acknowledged the importance of competitive salary levels for Extension agents. I believe that these funds should be made available so that Extension can retain its more competent personnel and so benefit from their additional education and experience.

I also wish to point out the importance of area development personnel. The need for these funds develop from two major sources: First, an overriding need for increased specialization on the part of all Extension staff members in order to continue as top experts in their field. For example, State Extension specialists must be intimately associated with the research of the various departments at the university. They must spend more time in preparing teaching materials and aids than at any point in history, which means that they will have less time to serve in the field. Second, the field staff needs to be further developed in order to provide increased specialization. This is being done within the resources of Extension to a considerable degree, but Federal funds are needed to spur this effort onward and to permit Extension directors to make the kinds of changes that are needed to do the job effectively today.

The second phase of this relates to area and community development, a major Federal Government program in recent years. Each time a law is passed by Congress which calls for community action or community development plans, the job of the Extension agent is increased because local people turn to him for help. The role of assistance is assigned to him by the U.S. Department of Agriculture and the land-grant college system. All of this is resulting in a greatly increased role for the county Extension agent. However, some of this work is not

most effectively done at the county level, but needs to be done on employment or trade areas. We cannot continually assign more duties to the field staff without accepting the responsibility to help provide the modest increases in staff that is needed to maintain high quality work.

In line with this increased responsibility, we must recognize the significant work being done in home economics with disadvantaged families. This work proves that Extension can do the educational work related to the programs passed by the Congress in recent years to carry on various types of community action programs and to enhance human development. Education for living is conceded to be one of the major aspects of the problem. The increase which has been requested should be given to the Extension Service to help meet the increasing demand on the present staff.

In agriculture it is generally recognized that the problems of maintaining and developing the family farm during the latter half of the 20th century rests not so much with its production efficiency, but with problems of marketing and utilization. Again Extension has been making adjustments to meet this need. In my home State funds have been shifted to increase the numbers of marketing personnel at the State level. In addition, specialized area personnel who work with both production and marketing have been added from funds shifted from other phases of the program. The Federal Government does much research in the fields of marketing and utilization. It is a small investment in these Extension personnel to help get this information out and get it used.

I am pleased with the adjustments that I have been seeing take place in the Extension Service in order to keep the staff involved in some of the most critical problems of our day. I sincerely hope this group will see fit to spur these developments onward by providing this modest increase to the Cooperative Extension Service of our Nation. The Extension system is generally recognized by adult educators as America's most successful venture in adult education. Extension education is clearly the envy of the world, and it is one of the U.S. innovations most frequently copied by other nations.

Mr. Chairman, since REA is a lending agency it is not as easy for them to present an item by item budget as it is for some agencies who have a project-by-project budget. But REA and the co-ops it finances have been in business for a good many years. Between them they should be able to come up with a budget of proposed expenditures with some degree of accuracy and some basis in fact that would permit them to conduct an orderly program and at the same time give the Congress a frank and fair, clear picture of their proposed activities.

The President, in his budget message on REA this year, stated:

> It is expected that the Rural Electrification Administration will put additional emphasis on the negotiations of reasonable contracts under which REA-financed systems purchase power from other supplies. Such contracts will reduce the need for generation and transmission loans.

Even though there have been fewer controversial generation and transmission loans made in the past year which, I might add, was due to the constructive efforts of the Appropriations Committees of this Congress, there is still room for improvement. If the committee continues to police the Administrator's action and maintain a firm position against unnecessary generation and transmission loans, much more of the controversy of the past few years can be eliminated.

One conclusion that can be drawn from our hearings this year is the fact that REA, having been partially thwarted in its program of unneeded expenditures of loans for generation and transmission projects under the third criterion, have come up with a new approach—a new party line for justifying the very same programs a large segment of the Congress has opposed. This new party line is called parity of rates and service.

I mention it now because if we sit back and accept this new parity argument in silence for the next 2 or 3 years, one day Congress will wake up to the fact that by its acquiescence it has permitted the whole concept of the REA program to be changed from one designed to bring electricity to persons in rural areas not receiving central station service to one designed to bring electricity to customers of REA borrowers at a price comparable to electricity purchased by urban dwellers, irrespective of the economic or legal facts involved. If the REA program is to be changed this extensively, then Congress should do the changing—not the Administrator.

There is very little one Member of Congress can do except to point out the new trend of this program. I do not want the REA to get any idea that it can pull the parity wool over our eyes, for this is an insult to one's intelligence.

Let me comment briefly on the brunt of the Administrator's new approach to the REA program, just to put it on the record:

First. REA has committed itself on a new strategy. It will apparently justify its future program on the basis of parity of rates and service between rural and urban persons. Parity will become the clothesline upon which REA will hang the details of its program. Thus, the subsidies granted to REA by Congress to bring electricity to unserved rural persons will now be extended to subsidize consumers' rates on a basis comparable to those of urban customers supplied by electric companies and municipalities. This is almost a reverse twist on the old public power yardstick when TVA and Bonneville rates were used as yardsticks for private company rates. REA is planning to stay in business, and use its subsidies until borrowers under its program have the same rates as cities.

Second. The area coverage commitment of Congress, the provision granting 2-percent money for borrowers to extend their facilities beyond the "cream" areas and pick up the more isolated, the more financially difficult customers to justify, is now extended to provide service and rates for these consumers comparable to city dwellers.

In short, parity extends the area coverage concept from one of making electricity available to one of making price comparable. In what section of the REA Act do we find this authority?

Third. Last year's House committee report stated that REA loan funds should not be used for power generation loans where feasibility is based solely on cheaper rates resulting from lower interest rates than those paid by investor companies unless essential to get area coverage at reasonable rates. I think I made it clear last year that area coverage was different from exclusive service areas. The REA Administrator has gone a step further. REA has taken this House report language designed to prohibit unnecessary generation and transmission loans at the taxpayer's expense as a committee directive to continue 2 percent money for generation and transmission loans as a means of bringing parity rates to REA consumers.

There is no telling how far REA will go beyond the scope of the 1936 act through use of the parity argument. Only time will tell. My purpose today is to bring these facts to your attention for no other reason than that at some date in the near future we might look back and review the extent REA has taken this parity argument into a whole new program.

The whole purpose for the new parity concept, in my opinion, is the fact that the Appropriations Committees have put up some roadblocks against the Administrator's unwarranted use of the third criterion to justify generation loans, and he is seeking a new way to slide around Congress and accomplish his own ends.

The parity argument is merely a red herring by which the Administrator hopes to take attention away from the third criterion criticism, and give the appearance that generation and transmission loans are now being made under the old standards of cost and service. This is a typical REA rationalization, and I am sure that the Congress sooner or later will fully understand its sweeping implication and do something about it.

Mr. Chairman, the Appropriations Committees have also put up some roadblocks against the improper investments of borrowers general funds in various securities. Some improvement has been made, but there is still a seriously large number of cooperatives that are not complying with the regulations. At this point I wish to include an insertion starting on page 459 of the hearings indicating those REA borrowers with general funds in excess of 20 percent of plant:

REA borrowers with general funds in excess of 20 percent of plant, as reported by borrowers in descending order of percent as of Dec. 31, 1964

	Percent
Kandiyohi Cooperative Electric Power Association, Willmar, Minn	57.6
Winnebago Rural Electric Cooperative Association, Thompson, Iowa	55.8
Oahe Electric Cooperative, Inc., Blunt, S. Dak	51.7
Tricounty Rural Electric Cooperative, Inc., Napoleon, Ohio	47.3

REA borrowers with general funds in excess of 20 percent of plant, as reported by borrowers in descending order of percent as of Dec. 31. 1964—Continued

	Percent
Tri-County Electric Cooperative, Leesburg, Va	43.9
Bartholomew County REMC, Columbus, Ind	42.4
East Central Electric Association, Braham, Minn	42.3
Umatilla Electric Cooperative Association, Hermiston, Oreg	42.2
Southern Indiana Rural Electric Cooperative, Inc., Tell City, Ind	42.1
Truckee Public Utility District, Truckee, Calif	40.3
North Central Electric Cooperative, Inc., Attica, Ohio	40.2
Norris Electric Cooperative, Newton, Ill	38.2
Shelby Electric Cooperative, Shelbyville, Ill	37.6
Renville-Sibley Cooperative Power Association, Danube, Minn	37.3
Rural Electric Division, city of Bryan, Bryan, Tex	36.7
Darke Rural Electric Cooperative Inc., Greenville, Ohio	36.7
Taylor County Rural Electric Cooperative Corp., Campbellsville, Ky	36.7
Newton County REMC, Kentland, Ind	36.3
Hawkeye Tri-County Electric Cooperative, Cresco, Iowa	36.2
Chippewa Valley Electric Cooperative, Cornell, Wis	36.1
Morrow Electric Cooperative, Inc., Mount Gilead, Ohio	35.4
Plymouth Electric Cooperative Association, Le Mars, Iowa	35.1
Excelsior Electric Membership Corp., Metter, Ga	35.1
Dunn County Electric Cooperative, Menominee, Wis	34.8
Johnson County REMC, Portland, Ind	34.5
Allamakee-Clayton Electric Cooperative, Inc., Postville, Iowa	34.4
Seward County Rural Public Power District, Seward, Nebr	34.2
North Western Electric Cooperative, Inc., Bryan, Ohio	34.1
Clay Electric Cooperative, Inc., Flora, Ill	33.6
Clearwater-Polk Electric Cooperative Inc., Bagley, Minn	33.2
Edgecombe-Martin County Electric Membership Corp., Tarboro, N.C	33.1
Wood County Electric Cooperative, Inc., Quitman, Tex	32.5
Eau Claire Electric Cooperative, Eau Claire, Wis	32.3
Mountain Electric Cooperative Inc., Mountain City, Tenn	32.2
Teche Electric Cooperative, Inc., Jeanerette, La	32.1
Upson County Electric Membership Corp., Thomaston, Ga	31.7
Orange County REMC, Orleans, Ind	31.1
North Alabama Electric Cooperative, Stevenson, Ala	31.1
Taylor County Electric Cooperative, Medford, Wis	30.6
Woodbury County Rural Electric Cooperative Association, Moville, Iowa	30.6
South Crawford Rural Electric Cooperative, Denison, Iowa	30.5
Alamo Power District No. 3, Alamo, Nev	30.3
Nobles Cooperative Electric, Worthington, Minn	30.2
Rural Electric Convenience Cooperative Co., Auburn, Ill	30.2
Richland Cooperative Electric Association, Richland Center, Wis	30.0
Midwest Electric, Inc., St. Marys, Ohio	30.0
The Minnesota Valley Electric Cooperative, Jordan, Minn	29.9
Morgan County Rural Electric Association, Fort Morgan, Colo	29.8
Carroll Electric Cooperative, Inc., Carrollton, Ohio	29.7

REA borrowers with general funds in excess of 20 percent of plant, as reported by borrowers in descending order of percent as of Dec. 31. 1964—Continued

	Percent
Johnson County Electric Cooperative Association, Cleburne, Tex	29.3
Goodhue County Cooperative Electric Association, Zumbrota, Minn	29.2
Illinois Valley Electric Cooperative, Inc., Princeton, Ill	29.2
Tri-County Electric Cooperative, Rushford, Minn	29.1
Rock County Electric Cooperative Association, Janesville, Wis	28.8
Brown County Rural Electrical Association, Sleepy Eye, Minn	28.8
Baldwin County Electric Membership Corp., Robertsdale, Ala	28.8
Illini Electric Cooperative, Champaign, Ill	28.6
Laclede Electric Cooperative, Lebanon, Mo	28.4
Upshur Rural Electric Cooperative Corp., Gilmer, Tex	28.3
Calhoun County Electric Cooperative Association, Rockwell City, Iowa	28.3
Lyon Rural Electric Cooperative, Rock Rapids, Iowa	28.1
Marion Rural Electric Cooperative, Inc., Marion, Ohio	28.0
Ida County Rural Electric Cooperative, Ida Grove, Iowa	27.8
Littlefield Electric Cooperative, Inc. Littlefield, Ariz	27.8
Southwest Central Rural Electric Cooperative Corp., Indiana, Pa	27.7
Elkhorn Rural Public Power District, Battle Creek, Nebr	27.6
Frontier Power Co., Coshocton, Ohio	27.4
South River Electric Membership Corp., Dunn, N.C	27.4
Cedar-Knox County Rural Public Power District, Hartington, Nebr	27.4
Hot Springs County Rural Electric Association, Inc., Thermopolis, Wyo	27.0
LaGrange County REMC, LaGrange, Ind	26.9
Edgar Electric Cooperative Association, Paris, Ill	26.9
Union Rural Electric Cooperative, Inc., Marysville, Ohio	26.5
Blue Earth-Nicollet Cooperative Electric Association, Mankato, Minn	26.5
Fayette Electric Cooperative, Inc., La-Grange, Tex	26.4
Knox County REMC, Vincennes, Ind	26.3
Southwestern Minnesota Cooperative Electric, Pipestone, Minn	26.2
Federated Rural Electric Association, Jackson, Minn	26.2
Clark Electric Cooperative, Greenwood, Wis	25.7
Mountrail Electric Cooperative, Inc., Stanley, N. Dak	25.7
Capital Electric Power Association, Clinton, Miss	25.7
Lafayette Electric Cooperative, Darlington, Wis	25.4
Deep East Texas Electric Cooperative, Inc., San Augustine, Tex	25.2
Piedmont Electric Membership Corp., Hillsboro, N.C	25.2
The C. & W. Rural Electric Cooperative Association, Inc., Clay Center, Kans	25.0
McLeod Cooperative Power Association, Glencoe, Minn	24.7
Farmers Electric Cooperative, Inc., Greenfield, Iowa	23.8
Grundy County Rural Electric Cooperative, Grundy Center, Iowa	23.6
North Central Missouri Electric Cooperative, Inc., Milan, Mo	23.5
Traverse Electric Cooperative, Inc., Wheaton, Minn	23.5
East Illinois Power Cooperative, Paxton, Ill	23.5
Wayne-White Counties Electric Cooperative, Fairfield, Ill	23.5
Naknek Electric Association, Inc., Naknek, Alaska	23.3
Okanogan County Electric Cooperative, Inc., Winthrop, Wash	23.3
Greene County Rural Electric Cooperative, Jefferson, Iowa	23.3
The Western Cooperative Electric Association, Inc., Wakeeney, Kans	23.0
T.I.P. Rural Electric Cooperative, Brooklyn, Iowa	23.0
Corn Belt Electric Cooperative, Inc., Bloomington, Ill	22.9
Grand Valley Rural Power Lines, Inc., Grand Junction, Colo	22.7
People's Cooperative Power Association, Rochester, Minn	22.4
Farmers Electric Cooperative Corp., Newport, Ark	22.4
Butler Rural Electric Cooperative, Inc., Hamilton, Ohio	22.2
Agralite Cooperative, Benson, Minn	22.2
Lincoln-Union Electric Co., Alcester, S. Dak	22.1
Glades Electric Cooperative, Inc., Moore Haven, Fla	22.1
Newberry Electric Cooperative, Inc., Newberry, S.C	22.0
Gascosage Electric Cooperative, Dixon, Mo	22.0
Tri-County Electric Cooperative Association, Inc., Lancaster, Mo	22.0
Harrison County REMC, Corydon, Ind	22.0
D.E.K. Rural Electric Cooperative, Estherville, Iowa	21.9
Central Wisconsin Electric Cooperative, Iola, Wis	21.6
Lyon-Lincoln Electric Cooperative, Inc., Tyler, Minn	21.6
Troup County Electric Membership Corp., La Grange, Ga	21.6
Harmon Electric Association, Inc., Hollis, Okla	21.4
The Nemaha-Marshall Electric Cooperative Association, Inc., Axtell, Kans	21.4
Marshall County REMC, Plymouth, Ind	21.4
Coastal Electric Cooperative, Inc., Walterboro, S.C	21.3
Delaware County Electric Cooperative, Inc., Delhi N.Y	21.3
The Tippah Electric Power Association, Ripley, Miss	21.3
Buchanan County Rural Electric Cooperative, Independence, Iowa	21.3
Harrison County Rural Electric Cooperative, Woodbine, Iowa	21.3
Grant Electric Cooperative, Lancaster, Wis	21.1
Firelands Electric Cooperative, Inc., New London, Ohio	21.1
Burke-Divide Electric Cooperative, Inc., Columbus, N. Dak	21.1
Wild Rice Electric Cooperative, Inc., Mahnomen, Minn	21.1
Runestone Electric Association, Alexandria, Minn	21.1
Trempealeau Electric Cooperative, Arcadia, Wis	21.0
Guernsey-Muskingum Electric Cooperative, Inc., New Concord, Ohio	21.0
Central Valley Electric Cooperative, Inc., Artesia, N. Mex	21.0
Cam Wal Electric Cooperative, Inc., Selby, S. Dak	20.8
Wayne County Public Power District, Wayne, Nebr	20.8
The Brown-Atchison Electric Cooperative Association, Inc., Horton, Kans	20.8
Coles-Moultrie Electric Cooperative, Mattoon, Ill	20.8
Laurens Electric Cooperative, Inc., Laurens, S.C	20.7
Kaufman County Electric Cooperative, Inc., Kaufman, Tex	20.6

REA borrowers with general funds in excess of 20 percent of plant, as reported by borrowers in descending order of percent as of Dec. 31, 1964—Continued

	Percent
Butler County Rural Public Power District, David City, Nebr	20.6
Wells Electric Association, Wells, Minn	20.6
Escalante Valley Electric Association, Inc., Beryl, Utah	20.5
Paulding-Putnam Electric Cooperative, Inc., Paulding, Ohio	20.5
Delta Electric Power Association, Greenwood, Miss	20.5
The D.S. & O. Rural Electric Cooperative Association, Inc., Solomon, Kans	20.5
People's Electric Cooperative, Inc., Ada, Okla	20.4
Sam Houston Electric Cooperative, Inc., Livingston, Tex	20.3
Redwood Electric Cooperative, Clements, Minn	20.3
Adams-Marquette Electric Cooperative, Friendship, Wis	20.2
Sheyenne Valley Electric Cooperative, Inc., Finley, N. Dak	20.2
Southeastern Illinois Electric Cooperative, Inc., Eldorado, Ill	20.2
Logan County Cooperative Power & Light Association, Inc., Bellefontaine, Ohio	20.0

Mr. Chairman, what is disturbing in this respect is the fact that I pointed out the tax liability of some REA cooperatives to the Commissioner of Internal Revenue over a year ago and I am sorry to say the IRS has been stalling all this time with no definite report in sight. When I get letters from my constituents telling me how the IRS is hounding them it does make one's blood pressure rise when we realize the IRS would not even move on a flagrant case of tax evasion involving huge sums of money. I certainly hope these remarks will serve to light a fire in the Treasury Department.

Mr. Chairman, national recognition of the importance of rural community development began 10 years ago under the Eisenhower administration. The Department of Agriculture initiated a pilot program in rural development under the direction of the Cooperative Agricultural Extension Service. By 1960 the program had expanded to about 200 counties in 30 States. It was a commendable program of helping people in low farm income areas to more effectively help themselves to improve their farm and community income opportunities.

THE BIRTH OF RAD

In 1961 Secretary of Agriculture Orville L. Freeman undertook to expand these pilot projects into a nationwide program under the heading of rural areas development program. The concept was expanded to provide Federal assistance to all rural areas—farm and nonfarm. Emphasis was placed on the formation of local RAD committees to promote the planning and implementation of community development projects, most of which involved assistance from one of the many different Federal programs available. Where similar community, or countywide development organizations already existed these were frequently treated as the RAD committee. In some areas the newly formed RAD committees resulted in unnecessary duplication of community service organizations.

DEPRESSED AREA PROGRAMS HELPED

Passage of the Area Redevelopment Act in 1961 provided the silver spoon for the also new RAD program. The RAD program leaders encouraged the use of local RAD committees as a mechanism for applying for financial assistance through the ARA program. There are now more than 850 counties and areas designated for rural development assistance in ARA. This act will expire June 30, 1965, unless extended by Congress. Of course, the RAD program leaders have already "hitchhiked" a ride on the more recently enacted Appalachian bill and the Economic Opportunity Act—through the transfer of funds and authority—in the process of extending their control over Federal programs in rural America.

SOMETHING FOR ALL

In 1963 Assistant Secretary of Agriculture John A. Baker compared the RAD program to a "cafeteria line." He said:

Local RAD committees can move down this line selecting Federal activities that can help them in carrying out the RAD program. Allow me to give you the recipe content of some of the newer additions to this cafeteria menu line.

He then proceeded to review the various Federal aid programs, all of which would in fact be available without the Office of Rural Areas Development. The USDA Agriculture Handbook No. 245 entitled "Rural Areas Development Handbook—Pegs for Rural Progress," is devoted almost entirely to listing all the agencies of the Federal Government along with the many financial and technical assistance benefits that are available.

MISLEADING CLAIMS OF THE RAD PROGRAM

Assistant Secretary Baker submitted a résumé of RAD activity, for the Appropriations Subcommittee with examples of projects being undertaken. There is no easy way of verifying the accuracy of this information. According to the report, there are more than 9,000 projects which have been completed, ostensibly through the results of more than 2,000 RAD committees throughout the country. However, the following observations suggest reservation on the value of this report as justification for a sixfold increase in appropriations for the next fiscal year:

CREDIT THE ARA

Nearly half of the projects reported as completed are in ARA—Area Redevelopment Act—designated areas where direct subsidy is the motivating force far more than the actions of a RAD committee. A major share of the example described under the State summaries were projects for Area Redevelopment Act-depressed area assistance.

PRE-RAD PROGRESS

Of the total projects completed, Texas and North Carolina by themselves account for more than 2,200. Local community development oranizations had become well established in these States long before the USDA-type RAD program came along. A similar situation exists in many other States, more especially in the Southeast.

REPETITION

In respect to the project examples described State-by-State in the subcommittee hearing report, the examples given for at least nine of the States were identical to the examples reported a year ago in the Senate agricultural appropriations hearings. Repetition existed in a number of other States, along with some minor revisions. Could this mean that new projects worth reporting are that scarce?

STATE AND LOCAL REACTIONS

Information has been received from responsible representatives of various organizations in a number of States, excerpts of which follow. The identity of the State and source of information is purposely withheld:

Long before the Federal program came into being [our State] through its extension service embarked on a program of oganizing area associations throughout the State * * *. When the Federal programs came into being our State leaders decided to mesh these programs with our area and the community development programs already in existence rather than set up similar organizations and therefore duplicating efforts. In doing this, most of the statistics reported out of (our State) on the behalf of RAD or Area Redevelopment Act are statistics of our area associations committee projects and activities. You might say that the Federal boys are taking credit for much that already existed and many accomplishments which would have taken place even if the Federal programs had not been in existence.

The majority of these projects would have been instituted regardless of whether or not RAD was organized in the State, or particular county where project was developed.

The projects as reported in number probably are doubtfully worthy of the name in many instances but quite respectably in others.

The figures constitute a rather heroic count in most counties. I suspect that agents report all extension activities, such as fertilizer demonstrations, etc., as RAD progress.

Of the projects being implemented by the local committees, I do not know of any that actually originated in a RAD committee session.

Starting as far back as 1945 our chamber of commerce in cooperation with the University's Agricultural Extension Service and other agricultural leaders, initiated a program of rural area development * * *. Since that time, of course, the new for RAD committees in all counties has been presented to the individual counties as a must because, as you and I know, orders have been handed down from Washington through the extension directors that each county have such a committee * * *. As far as our State's report as to accomplishments, this report could have been written any time during the past nearly 20 years, and in many instances, I am sure would have been more impressive. The big difference here, I believe, is that prior to this particular report, accomplishments had been made by leadership in the respective counties working on their own and without the assistance and guidance, financially or otherwise, from Washington other than the educational leadership provided by the agricultural agencies * * *. I am not saying that there is not a need for capital in some areas, but in most instances, I firmly believe the capital is available through the resource already at hand without the establishment of a new agency solely for this purpose.

Is this the kind of foundation on which we are asked to appropriate a sixfold increase in funds? If we do, you will see the doors—which are already ajar—begin to open on a whole new bureaucracy. A bureaucracy with elaborate plans but without a program of its own. Based upon testimony before the subcommittee I want you to know what this rural areas development program is, what its successor, the Rural Community Development Service does and where it appears to be headed—if we provide the money to open the door.

RURAL COMMUNITY DEVELOPMENT SERVICE

Late in 1964 the Secretary of Agriculture expanded the Office of Rural Areas Development and renamed it the Rural Community Development Service. To begin with, the primary function of this agency, like its predecessor, has been to promote and expedite the implementation of Federal programs primarily related to agriculture. But it has no intention of stopping there. During 1964 three field offices were opened in different parts of the country to serve as informers, expediters, and clearinghouses for all Federal program assistance in the areas. This outreach service to all of the hard-to-reach areas of the country is the bottomless pit for which the Rural Community Development Service is seeking funds.

THE JOB OF RCDS

The subcommittee endeavored to learn more about the specific responsibilities of the Rural Community Development Service. The Chairman, the gentleman from Mississippi [Mr. WHITTEN], noted the separate program responsibilities of the respective agencies of Agriculture, such as Soil Conservation Service, Farmers Home Administration, and Agricultural Stabilization and Conservation Service, each with its own representatives in the local areas, and asked these questions of the Administrator of the program, Robert G. Lewis:

Where do you fit into this picture; what new service can your agency provide? * * * How much authority do you have? Can you veto anything? Is it your responsibility to clear these proposals that they may have in local communities?

Mr. LEWIS. Mr. Chairman, the purpose of the President and of the Secretary and of me as Administrator of this Agency, is certainly not to slow anything down but to speed up and expedite. The coordination function is not one of vetoing or giving orders to other agencies, but it is an extension of the Secretary's responsibility to coordinate the work of the respective agencies. * * * We have the responsibility for viewing the overall community development objective and need. Each of these other agencies has a specialized program and, of course, as they should, they concentrate on their specialized responsibilities, and it is true that they can be asked by the Secretary or told by the Secretary to look out for the overall community development effects and very substantially they do.

They meet together in a technical action panel both at the State level and at the county level but there is a need for somebody who will keep at this job full time to watch the progress that is being made after the respective agencies agree as to what they should do about coordinating, and there is a need for somebody who can follow through after the meeting in between meetings to insure that the coordination does get carried out.

With the remarkable services of the Extension Service along with the local representatives of FHA, SCS, and so forth, and their coordinated efforts through their own technical action panels, I fail to see the need for additional coordination by the Rural Community Development Service.

WHO'S COORDINATING WHOM?

The subcommittee chairman went on to inquire how the Rural Community Development Service would participate in considering and applying for a new water system for a community. Mr. Lewis' reply was:

Well, sir, this process of analyzing the community problem is performed by the local people through their Rural Area Development Committee comprised of local leaders and assisted by the Extension Service with its information and educational functions, and our function in that process is to coordinate the technical guidance from action agencies of the Department of Agriculture, and to bring information, on a coordinated basis, the actions of other Departments that might have a responsibility—to be sure in the first place they recognize their responsibility and carry it out.

To the extent that I understand this answer, the decisions would be made and carried out entirely by the local people in collaboration with the Department agencies responsible for administering the particular aid programs without any need for involvement of the RCDS.

WHERE'S THE AUTHORITY?

Along this line I asked this question:

Does the Rural Community Development Service make any loans; provide any cost-share assistance; administer any programs enacted by Congress?

The reply was:

No; these are carried out by the various action programs by this and other Federal agencies.

My question:

What new functions have been assigned to the Rural Community Development Service?

The answer:

The new functions assigned to the new agency, in addition to those assigned to the Office of Rural Areas Development which the new agency has absorbed are primarily those of providing outreach for all Federal agencies other than those located within the Department of Agriculture.

OTHER FEDERAL AGENCIES

I think we need to know more about how much help the other Federal agencies want and need from the Department of Agriculture in carrying their programs to the local areas. In answer to a question along this line the RCDS representative said:

Requests have been received for assistance in serving rural people from a number of agencies. Included among these are the manpower development and training program, the Job Corps, community action and headstart program of the Economic Opportunity Administration, the programs in the House and Home Finance Agency. Assistance has been given to the Small Business Administration and to the health and welfare agencies. Assistance will be made available whenever rural needs are found which can be fulfilled by Federal, State, or local programs.

Mr. Lewis, the RCDS Administrator, told the subcommittee:

The Office of Economic Opportunity, as many of the other Federal programs, are not getting effective action out in the country, and there are some good reasons for that. Rural people live in small numbers. They are harder to reach. It takes more, different phone numbers in order to reach the influential people in the community, and so we find that the other Federal agencies do not themselves, through their own resources, adequately get into the rural areas.

The RCDS representatives even consider themselves better qualified to deal with the people in rural areas. They say that the Department of Labor employees and Health, Education, and Welfare people often do not know how to approach and gain the confidence of rural people. They are going to help rural people register for employment and job training. They want to make sure that the applicants are psychologically prepared for the aptitude and placement tests.

OUTREACH

My question:

How prevalent are these hard-to-reach areas which are lacking in equal opportunity for assistance through Federal programs? Where are they? How many counties are without any Federal offices of any kind? How many are without Extension agents?

The answer:

Hard-to-reach areas for the most part are low-income areas. More than 600 counties have median family income below $3,000. Generally these counties are concentrated in the Southeast, but some exist in almost every State in the Nation. The number of counties without any Federal offices is approximately 100. There are 50 counties not serviced by an Extension agent.

My question:

If the Vermont field representative's office has become a focal point for requests for rural development assistance, is not the number of such busy focal points limited only by the number of field offices made possible by appropriated funds?

The answer:

Until enough appropriated funds are available to make a reasonable coverage of the country with field offices, those areas where field offices are available will tend to have more outreach activity of the various services of the Federal Government than areas not served by a field office located close by. The objective of the RCDS and its field representatives will be to build up channels through which request can be made by local leaders to existing local, State, and Federal agencies and institutions. Rural CDS field representatives will not be needed in every rural community.

This I doubt very much—if they plan to have the field representatives perform all the duties that have been outlined for them—page 326, part 4 of hearings. They will be extension agents, information specialists, industrialists, Peace Corps specialists, employment and training agents, psychologists, and so forth.

APPROPRIATION

My question:

It appears that your nearly sixfold increase in based almost entirely on the projected demand for 650,000 new job opportunities in rural areas per year. Is it therefore logical to assume that increased funds should be provided the RCDS each year so long as the demand for new jobs in the rural areas remains high?

The answer:

The financial support required for RCDS goes beyond the demand for new jobs in rural areas, important as that factor is. In addition, there is the need to provide coordination, leadership, and liaison services to rural areas in providing the same access to benefits of Federal assistance programs available to urban communities. Consideration will be given to the needs of the RCDS each year in light of this and other budgetary needs of the department.

The appropriation request would provide for opening up new field offices with a limited staff in 20 States. The criteria or rating for employing the coordinators has not yet been determined. If these become schedule C appointments, the value of this direct channel to the State and local areas becomes even more meaningful to the administration.

DIRECT CHANNEL TO THE LAST HOMESTEAD

Confirmation on the extent to which the Secretary of Agriculture, Orville L. Freeman, intends to administer the Government's programs throughout the countryside may be found in his own words—before the Lawrence County Water Festival, Lawrenceburg, Tenn., May 15, 1965:

We have established a new agency—the Rural Community Development Service—to bring a new emphasis into the work of the Department of Agriculture. The top priority of this new agency will be to help the other departments and agencies of the Federal Government to stretch the reach of their services all the way to the remotest rural settlement or homestead—where all too often they have never reached at all before, or have offered less service to rural people than to those who live in urban areas. The Rural Community Development Service will help to plan and coordinate the programs of the entire Federal Government so that they will make a maximum contribution to the fullest development of all the resources—both natural and human—of the entire rural community.

In short, we are transforming the Department of Agriculture to fit the needs of rural America. We are not picking and choosing just those problems that are easy, familiar, or traditional.

DUPLICATION OF SERVICES

I do not know how the other agencies and departments feel about this superimposition of services and responsibilities. But I should think it would be quite an insult, to say nothing of the added cost of confusion that would inevitably result. Listen to this series of services that the RCDS intends to coordinate:

RCDS will endeavor to coordinate the activities of all agencies of the U.S. Department of Agriculture and other Federal departments so as to focus heightened efforts upon development of new products and new markets; to help farmers find ways, through cooperatives and individually, to reduce their production, processing, and marketing costs and increase their efficiency; to secure better access to training, information, technical guidance, and improved technology; and to secure the necessary credit on reasonable terms so that the family farmer can obtain and operate an efficient production unit with sufficient capital, land, and managerial skill to fully employ his talents.

In specific reference to the Extension Service one of the RCDS representatives said:

The Extension Service provides education leadership on all aspects of community development, including education about Federal programs. However, what is needed from the RCDS is staff service to the Secretary of Agriculture in developing plans and procedures whereby operating agencies can perform the new outreach service to rural people. The Extension Service is not a strictly Federal agency. The county agents report to the land-grant colleges, not to the Department of Agriculture. The Department of Agriculture has only limited and prescribed authority to direct the Extension Service to perform services for the Federal Government. But because the Extension Service has great talent and information resources, we expect it to be very helpful in helping to get better information to rural communities about the outreach of Federal programs.

The cooperative extension service has a long history of experience in providing organizational leadership as well as educational. In fact, most of the $1 billion requested increase in appropriations for the Extension Service is for the purpose of making payments to States to strengthen work with organized groups on resource development problems of communities.

If there is one section or group of the country where the people usually know where to go to get something done it is the farmer who goes to a farm adviser, or county agent in his own county. The county extension personnel are readily accepted by the people. This is not true in the cities. I do not care from what agency of Government—city people want some kind of assistance. They are just completely stranded. They do not know where to start.

In behalf of the other agencies of the Department of Agriculture which are active on the local scene, another member of the subcommittee, the gentleman from Minnesota [Mr. LANGEN] had this to say:

Well, I am sure that a good many of the Extension Service offices and many of the others are going to be surprised to hear that they have not been working together or that they are not coordinating because I do not know of any agencies that work better together. As a matter of fact, I have had occasion to work with them a good many times, and I recall the many, many meetings scattered all over rural communities in which you will find the county agent was there and the FHA supervisor was there, and the Forest Service was there and, yes, you can go on and include them all, whether it is the watershed people or the soil conservation people, and they are all there at the same meeting.

Just what you are going to do to improve such a combination is what puzzles me.

To which the witness, Mr. Lewis, agreed in part:

There has been a great deal of coordination, and we aim to make it better.

The RCDS also intends to duplicate the services of chambers of commerce and other private enterprise organizations in the community. The service not only will "help rural communities to achieve the conditions suitable for locations of new business", but "also to seek actively to promote specific business development opportunities."

It is more than unfortunate that we should be asked to appropriate public funds—the taxpayer's money—to hire public servants to perform functions which the private sector of the economy ought to—and are doing.

THE ULTIMATE GOAL?

The outreach ambition of the RCDS and the Secretary of Agriculture has no intention of stopping short of a completely separate channel, or direct line of control from the Department's Washington headquarters to every local community throughout rural America. It is obvious that the Department is not content with the limited authority and control that it has over the State and local extension services and the Agricultural Stabilization and Conservation Service committeemen. The Department believes that the only sure way of correcting this is to bypass them by establishing its own direct line of control.

After all, since the business of farming is becoming a proportionally smaller sector of the total industry, the Secretary of Agriculture may consider that adjustments are in order to bring the wayward and growing nonfarm industry of rural America into his Department. Perhaps the next target in the Secretary's drive to "transform the Department of Agriculture" will be, as he has suggested, to change the name to the Department of Rural Affairs.

In the process, what has happened to the vitality of the community, the initiative of individuals, and the organizations that represent them in a truly competitive private enterprise economy?

Mr. MICHEL. Mr. Chairman, yesterday I placed into the RECORD the results of our 18th Congressional District questionnaire. I have a further breakdown today of the four questions relating to agriculture, and under unanimous consent I insert the tabulation, broken down by occupation, in the RECORD at this point:

Agriculture

12. Do you favor a continuation of the present farm program with respect to price supports, acreage allotment and marketing quotas on a limited number of crops?

Occupation	Yes		No		Undecided	
	Number	Percent	Number	Percent	Number	Percent
Grand total	3,147	22	9,593	66	1,832	12
Salaried employee	560	16	2,489	73	367	11
Businessman	388	20	1,381	72	153	8
Professional	353	18	1,376	69	251	13
Retired	426	21	1,277	63	346	17
Other	60	17	217	61	77	22
Housewife	137	17	484	61	173	22
Hourly employee	658	26	1,518	60	368	14
Farmer	531	37	808	57	82	6
Student	34	37	43	47	15	16

Agriculture—Continued

13. Do you favor a gradual withdrawal by the Government from acreage restrictions for farmers?

Occupation	Yes		No		Undecided	
	Number	Percent	Number	Percent	Number	Percent
Grand total	10,787	74	2,313	16	1,472	10
Businessman	1,608	83	208	11	106	6
Salaried employee	2,653	77	469	14	294	9
Professional	1,527	77	257	13	196	10
Retired	1,454	71	330	16	265	13
Other	246	70	43	12	65	18
Hourly employee	1,760	69	487	19	297	12
Housewife	549	69	102	13	143	18
Farmer	932	65	396	28	93	7
Student	58	63	21	23	13	14

14. Do you favor more Government spending programs to keep so-called marginal farmers in business?

	Yes		No		Undecided	
	Number	Percent	Number	Percent	Number	Percent
Grand total	2,031	14	11,045	76	1,496	10
Businessman	161	8	1,646	86	115	6
Salaried employee	454	13	2,749	81	213	6
Professional	206	10	1,573	80	201	10
Farmer	230	16	1,088	77	103	7
Student	13	14	69	75	10	11
Housewife	96	12	539	68	159	20
Other	47	13	241	68	66	19
Retired	322	16	1,396	68	331	16
Hourly employee	502	20	1,744	68	298	12

15. Do you favor giving away or selling for foreign currencies our agricultural surpluses to Communist countries?

Occupation	Yes		No		Undecided	
	Number	Percent	Number	Percent	Number	Percent
Grand total	2,869	20	10,510	72	1,193	8
Housewife	88	11	613	77	93	12
Retired	254	13	1,561	76	234	11
Businessman	368	19	1,445	75	109	6
Hourly employee	468	18	1,869	74	207	8
Farmer	317	22	1,010	71	94	7
Professional	452	23	1,375	69	153	8
Salaried employee	829	24	2,340	69	237	7
Other	55	16	237	67	62	17
Student	28	31	60	65	4	4

Mr. WHITTEN. Mr. Chairman, I yield 10 minutes to the gentlewoman from Missouri [Mrs. SULLIVAN].

(Mrs. SULLIVAN asked and was given permission to revise and extend her remarks.)

Mrs. SULLIVAN. Mr. Chairman, first I want to thank the chairman of the subcommittee for agreeing to restore to the food stamp program the full budget amount of $100 million. However, at this time I would like to discuss another very important item in the bill. Should the National Commission on Food Marketing make the study Congress assigned to it, or merely dust off some old reports and issue them in new bindings?

Mr. Chairman, the Committee on Appropriations, in acting on nearly $6 billion of budget requests for the Department of Agriculture and related agencies, made cuts of $122½ million, or about 2.1 percent, in reporting this appropriation bill. But it cut the National Commission on Food Marketing by 50 percent, from $1,500,000 to $750,000.

There are 10 Members of Congress on the 15-member bipartisan Commission; 5 Members of the House and 5 Senators. The public members include the board chairman of J. C. Penney Co.; the Republican National Committeeman from New Mexico who is one of the Nation's largest cattle raisers; the dean of agriculture of one of our great State universities; a former Member of Congress, Fred Marshall, who was for years a distinguished member of the Committee on Appropriations; and, as our chairman, a former chief justice of the California Supreme Court. It is something of a shock to all of us, I am sure, to learn that in the opinion of the Committee on Appropriations, we are apparently only one twenty-fifth as reliable as the bureaucracy in the Department of Agriculture in estimating our agency needs for the coming fiscal year, since the Department was cut only 2 percent and we were cut 50 percent.

The committee slashed our funds in half on the assumption that our staff was twice as big as necessary because the work they were doing for us had already been done by the Department of Agriculture's Economic Research Service.

If these assumptions were correct—and they are not—then there would be no reason for our Commission's existence and no purpose to be served by having us do the work Congress twice instructed us to do. Members of Congress are far too busy to be willing to waste their time and effort on an unnecessary assignment—particularly one which requires countless hours of study into the biggest industry in the Nation, the $63 billion food industry. If all we were supposted to do in this study were to review the statistics prepared over the years by the Department of Agriculture, Congress should never have passed two laws setting up the Commission and authorizing us to spend $2,500,000 to do the study. The House Committee on Agriculture already does the work of reviewing the departmental studies on farm prices versus retail prices, and has published excellent reports on these statistics. Yet it was the Committee on Agriculture which initiated the legislation for the creation of the National Commission on Food Marketing and has strongly supported our efforts to get at the underlying facts.

Our Commission was created last July, but was not set up fully and ready to function until early this year. The House reviewed all of that history last month when it passed the bill just signed into law to extend the life of the Commission until July 1, 1966. We received $700,000 to cover our expenses in this present fiscal year—covering a period of about 6 months. We have asked for $1,500,000 to continue at present levels of activity through the coming fiscal year. We will then need about $300,000 the following year, after the Commission expires, for printing of reports, and so forth.

Under this appropriation bill today, we would have to fire half of the staff of top economists so carefully and laboriously built up over the past 6 months. The Committee on Appropriations advises us to borrow staff people from Agriculture. Are we to infer that Agriculture is so overstaffed that it has 20 top economists sitting around doing nothing? Who is to do their work at Agriculture if we borrow them for our Commission?

Mr. Chairman, the congressional members of the Food Marketing Commission have discussed this budget cut and we are in agreement that it would not be worth our time or trouble to try to do this job if the Appropriations Committee is to veto the judgment of the entire Congress, and of the 10 Members of Congress directly on the firing line on this study. Do you want us to do this job or not?

Let us acknowledge that there is a wide spread between the prices the farmer receives and the prices the consumer pays in the grocery stores. All of us know that. We are not trying to plow old ground on that—we are trying to find out why the spread is so large and is widening; we are using the techniques of public hearings, private conferences, and the subpena. The Committee on Appropriations seems to think all we have to do is review some statistics, and reissue them in new bindings.

That would not tell us, however, whether Safeway and A. & P. and Kroger, for instance, are deliberately using their economic power to push down cattle prices at the farm level by the manner in which they make their beef purchases; the statistics would not tell us how the feed companies manage or dominate poultry production; the statistics

on retail margin—and we have those from Federal Trade—do not answer the questions about the costs of overstoring, or whether the profits are in toys, hardware, paper goods or other high margin nonfood items, or whether the so-called convenience foods are for the convenience of the shopper or for the profits of the processor, or both.

We have not prejudged this investigation. I am sure the House would not want us to. Congressmen PURCELL, ROSENTHAL, and CUNNINGHAM, Mrs. MAY, and myself, and Senators MAGNUSON, MCGEE, HART, MORTON, and HRUSKA are all anxious to get to the facts, wherever they lead.

Whether an amendment is introduced to the bill today to restore the funds depends upon the attendance when the bill is opened to amendments under the 5-minute rule. The Committee on Appropriations does not have a valid excuse for making this 50-percent cut in our little item, in a $6 billion bill which represents only a 2-percent cut in the huge Department of Agriculture. My colleagues on the Commission join me this afternoon in pointing out that we have only 1 year in which to complete this study, and we must have competent staff if we are to be true to ourselves and to our responsibilities to the Congress in making this study.

I shall be glad to yield to the gentleman from Texas [PURCELL].

Mr. PURCELL. Mr. Chairman, will the gentlelady yield?

Mrs. SULLIVAN. I am happy to yield to the gentleman from Texas who has done such a remarkable job in these hearings.

Mr. PURCELL. Mr. Chairman, I appreciate the gentlewoman's yielding.

(Mr. PURCELL asked and was given permission to revise and extend his remarks.)

Mr. PURCELL. Mr. Chairman, 7 weeks ago this body passed, under suspension of the rules, H.R. 5702. H.R. 5702 has now become law, extending the life of the National Commission on Food Marketing 1 year. A report of findings and conclusions will be made to the Congress and the President on July 1, 1966.

Seven weeks ago we voiced overwhelming support for the need for a thorough, impartial study of the marketing structure of this Nation's food industry. Now we are being asked to support an appropriation of only one-half of the amount requested by the Commission for fiscal year 1966.

The five House members of the Commission, indeed all the members of the Commission, actively supported the budget request of $1.5 million for 1966 to complete this study. The bill before this body contains just $750,000, only $50,000 more than was appropriated for one-half of fiscal year 1965. The issue seems clear—do we or do we not want to know the hows and whys of maintaining an efficient, competitive food industry which compensates producers adequately and is equitable to consumers?

I will not weary my colleagues with the assertion that the $1.5 million requested for the Commission for 1966 constitutes an austere budget. Rather let me state that it is a practical budget. It provides for a minimum of personnel and related costs. It provides enough flexibility to insure that no reasonable avenue of study or exploration will be overlooked.

The Commission's budget request of $1.5 million can be oversimplified as follows:

About 45 percent for staff; about 30 percent for studies and data collection by others; about 10 percent for hearings; about 8 percent for publication of the myriad of hearing records, technical studies, and the Commission's interim and final reports; and about 7 percent for administration.

To be more specific—the $1.5 million request provides $69,000 for a maximum staff of 45 full-time people. Of these, 31 are professionals. Of these, seven are responsible for the meats and poultry area. All Commission studies in beef, pork, lamb, broilers, turkeys, and eggs—retail sales of more than $20 billion—are being coordinated by seven men. These seven men are investigating, preparing, and participating in hearings. They are supervising and coordinating special studies by other Federal agencies, such as the Federal Trade Commission, Census, and the Department of Agriculture. They are working on special studies to be carried out by expert temporary employees or under contract, and they will do some specific inquiries themselves. In between all this, they are working closely with individuals and groups in industry who are voluntarily working up data and reports for Commission use. This is not overstaffing—indeed it is an onerous burden we have asked these seven men to carry, and other areas of staff work in the Commission are comparable.

The Commission's budget is in controversy primarily in the area of work by other people. This is where flexibility, of which I spoke earlier, is essential. Our budget provides $450,000 for about 30 man-years of professional work on food marketing problems by others not on our regular staff. We have significant work underway in several Federal agencies and will, we hope, have more. Contributions can be made by individual experts and firms having special competence or data which we can use. My colleague has gone into this in some detail.

Hearings are an essential part of our fact-gathering mission. Six hearings are being held in fiscal year 1965—in Cheyenne, Forth Worth, Washington, D.C., Atlanta, Omaha, and McAllen, Tex. We have budgeted $143,000 for hearings in fiscal year 1966. These will be held all over the Nation, and will cover several commodities and all aspects of food marketing, from producers to consumers. We cannot envision a meaningful final report without adequate contact and exposure to the whole marketing complex—on the ground.

Mr. Chairman, the House Members of this Commission reviewed the $1.5 million request carefully before it was submitted to the Congress and have now rereviewed it in the light of the committee recommendation. We believe it is a reasonable level of financing for the 1 year remaining to the Commission, and hope some relief will be forthcoming. We do not consider this request exhorbitant. In the language of the producer, it will provide a bountiful harvest. In the language of the consumer, it is a bargain.

The CHAIRMAN. The time of the gentlewoman from Missouri has expired.

Mr. WHITTEN. Mr. Chairman, I yield to the gentlewoman 3 additional minutes.

Mr. ROSENTHAL. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I shall be delighted to yield to the gentleman from New York.

Mr. ROSENTHAL. Mr. Chairman, I want to congratulate the gentlewoman for taking this time to advise the House on the development of the work of the Food Marketing Commission.

Mr. Chairman, I want to tell the Members of the Committee that the Commission, under the very able chairmanship of Judge Gibson and its executive director, Dr. Brandow, has in my opinion been doing a very fine job. We have been working diligently and hard. We have an enormous task to perform and one which I believe will render invaluable service to the American farmers and consumers and to the Congress.

Mr. Chairman, I am sure that all Members of Congress are aware of the fact that we could not perform this function diligently and properly without adequate funds and the necessary staff. They have worked very hard and have performed ably. Also, I am sure that the Congress does not intend in any way to prevent us from completing the job in the fine fashion in which it has been started by limiting the funds available to it for its operations.

Mr. Chairman, I do not doubt for a moment that the Committee on Appropriations in its wisdom, at the appropriate time, will see to it that we are not prohibited from finishing the job.

Again, Mr. Chairman, I want to congratulate the gentlewoman from Missouri for taking this time and thank her for the service which she has rendered to the Commission.

(Mr. ROSENTHAL asked and was given permission to revise and extend his remarks.)

Mr. LANGEN. Mr. Chairman, I yield 10 minutes to the distinguished gentlewoman from Washington [Mrs. MAY].

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

Mrs. MAY. Mr. Chairman, my able colleagues and fellow members of the National Commission on Food Marketing, have made an excellent presentation outlining the general feeling of the Commission members and the various farm and business and consumer groups on the committee's reduction by one-half of the funds requested for the second and final year of the Commission's life.

Now, I would like to call the attention of my colleagues to page 48 of the committee report where the justification for this cut has been presented. May I begin by saying that what the committee

has outlined here in the way of work already done by the Department of Agriculture, much of it under this committee's guidance and leadership, does actually exist and is being used to great advantage by our Commission and its staff. As a matter of fact, were not these preliminary studies already in existence the task of the Commission to fulfill the duties with which it has been charged would have been much more difficult. However, we would be very remiss if we let this statement stand in the legislative record of this House without challenge and detailed explanation as to why it is not a valid reason for this cut in funding of the Commission. To let it go unchallenged and unexplained would create the very serious misunderstanding that the Food Commission is engaged principally in dusting off some studies now lying idle in desks or file drawers of Government agencies.

As you have noted in the report, the committee called particular attention to the large amount of work the Department of Agriculture has done in measuring the spread in prices paid by consumers and prices received by farmers. Now, if the work of the Commission were primarily a study of costs and margins certainly this budget action would be properly justified. But, I must point out, without in any way disparaging the work of the Department, the National Commission on Food Marketing must assert its need for far more information than the Department can now provide. Certainly, the Commission does intend to interpret much of its own work in terms of the price spread between consumers and producers but, I would again point out to this body that the Commission's duties as expressed in Public Law 88–354 are much broader than the calculation of price spreads.

The Commission has been instructed to study and appraise changes that may be basically altering the nature of competition in the food industry, the balance of market power among groups within it, the efficiency of processing and distribution, and the way in which benefits are shared among consumers, producers, and the various segments of the industry itself.

One of the first needs for information, therefore, is data showing what is happening to the firms comprising the food industry. To what extent is business in the various segments of the industry becoming concentrated in the hands of a few? Is vertical integration increasing or decreasing, and in what food lines? How are mergers affecting the number of effective competitors in national and local markets? Answers to such questions are best obtained by detailed analysis of data from the Bureau of the Census, from special studies by the Federal Trade Commission, and only in part from the Department of Agriculture. The opportunity to develop new and revealing information on these points is especially good because data from the 1963 Censuses of Manufactures and Business are now becoming available for study.

The Commission needs to know how the changes in size and number of firms affect competitive behavior in the food industry. For example, do the large retail chains obtain higher margins and prices in localities where they have a large share of the market? Data from the Federal Trade Commission and the Department of Agriculture are too limited to be conclusive; only a broad study by the Commission will give the answer. Another example: the use of retailers' brands is a key element in the competition between retailers on the one hand and food processors—including farmer cooperatives—on the other. No agency of Government, including the Department of Agriculture, can now supply the Commission with information on the volume of different foods sold under retailers' labels or how prices, quality, and merchandising methods for the different brand types compare.

One of the great blind spots about the food industry has been the manner in which firms do business with each other, negotiate prices, and arrange for continuity of supplies. Are prices competitively established? Do buyers and sellers have alternatives that make the system open and competitive? Is market power used to impose onerous terms upon other parties to transactions? The need to investigate such questions presumably was the reason why the Commission was given power to subpena witnesses and to require submission of data. Except in a few commodities for which it has regulatory powers, the Department of Agriculture has little information on such questions and no special power to obtain it.

Answers to the foregoing questions would help greatly in judging whether price spreads between farmers and consumers are reasonable or excessive. But to do this, the Commission needs information on the costs and profits that comprise the price spreads. The Department of Agriculture has done a great deal of work in measuring spreads between farm and retail prices but has much less information on the way in which the spreads break down into labor costs, container costs, transportation, profits, and the like. In practically all cases, individual expenses of retailing are lacking. Individual costs of processing are not available for a number of commodities. Only for farm foods collectively are estimates of major expenses and profits available. The Commission needs much more complete information than is now available on the costs and profits making up price spreads for individual foods.

The Commission recognizes that even where the Department of Agriculture has information of use to the Commission, the Department may be put to considerable expense in order to assemble the information in a suitable form.

A great amount of data, already at hand, have been provided without cost to the Commission. The Commission has adopted the policy that wherever its request requires a substantial amount of work separate and apart from an agency's regular function, it will reimburse for the cost of that work.

This relationship is desirable, the Commission believes, to give it a free hand in obtaining information it needs. Otherwise, it would be at the mercy of the availability of personnel in offices that are the original source of data.

Because the Commission is not satisfied just to rework existing reports and statistics, much of the information it wants is not now readily to be found. Much of it will come not from research agencies, but from action agencies that are not in the business of assembling and publishing research data.

For example, a number of questions about livestock marketing raised at our two livestock hearings can be answered only by digging out data on size and volume of operations of livestock slaughterers, both nationally and regionally. It happens that a wealth of raw data are collected by the Department of Agriculture incidental to its regulation of markets by the Packers and Stockyards Division, and its sanitary inspection of slaughter conducted by the Meat Inspection Division. To compile these data requires programing the original records and running special tabulations by data processing.

This service involves a cash cost, and it is a cost that bears no relation to the market and slaughter inspection of the operating agencies. It should be borne by the Commission, and the Commission has assured the Department of Agriculture that it expects to bear it.

The American consumer wants quality food and the producer expects to be paid for producing high quality products. Yet the marketing system is a maze of Federal grades, private grades, absence of any quality standards, various private and processor labels, and so on. The Commission has considered asking that some impartial quality checks be made on selected foods, on a sample basis. We would want official Federal graders of the Department of Agriculture to do this. Almost all the Department's grading is done as a service to the trade, on a fee basis. It is a trust fund operation, and the Department has no appropriated money with which it could provide the special service for which we might ask. If the Commission cannot reimburse, it cannot obtain the Department's participation.

In the marketing of fluid milk, a wealth of data are collected by the administrators of Federal milk orders as a part of their administrative activities. The Commission would find some of those data useful in its inquiry into the marketing of milk. The administrators of milk marketing orders are paid not from Federal funds but from assessments on local milk distributors. It would be manifestly unfair for the Commission to ask that personnel be assigned to tabulate milk data without reimbursing for the special costs.

Perhaps no complaint reaches the Commission more often than that the methods by which farm products are procured by processors or retailers are unfair in one respect or other. A special study of procurement and sale methods employed by processors of fruits and vegetables in several areas is being considered. This too would clearly involve extra cost not related to any ongoing

research of the Department of Agriculture.

Mr. Chairman, these are but a few examples of many that I could cite of the type of information that we need, not only from the Department of Agriculture, but other agencies of Government. At end of my statement I will include a breakdown of certain studies that have been requested, including the nature and objectives of these studies, and the breakdown on the cost of them requiring reimbursement.

In conclusion, may I say that it seems most significant to me that Congress chose to establish an independent agency to conduct this study of the $70 billion food industry. Obviously, we cannot properly restrict our inquires to those areas and details on which the Department of Agriculture or any other permanent agencies happens to have information. We must have the means of drawing upon information from all sources so we can use our staff to develop data not available elsewhere. The Commission's success may well depend crucially on how imaginative and resourceful it may be in digging into areas and subjects that have not been dug into before. Given so responsible an assignment and so short a life, the Commission ought not to be handicapped by a curtailment of the funds it needs for the task.

WORK BEING DONE FOR THE NATIONAL COMMISSION ON FOOD MARKETING BY THE FEDERAL TRADE COMMISSION

The first of the six duties assigned to the National Commission on Food Marketing is to study and appraise the actual changes taking place in the marketing structure of various segments of the food industry, especially in the past two decades. This requires a detailed description of changes in the number and size of firms, the extent to which business concentration is increasing or decreasing, the role of mergers, the extent of vertical integration, the ease of entry by new firms, and other aspects of market structure.

This work is being done for the Food Commission by the Federal Trade Commission. The FTC will use data in its own files, will draw upon information from the Bureau of the Census—including new data for 1963 just now becoming available—and will utilize other sources within the Federal Government. The FTC is familiar with all sources of data and with problems of assembling it. The FTC will, in addition, supply data on profits, price margins, and such other aspects of performance of the food industry.

This work is being done by FTC under two study outlines, one in food retailing and one in food manufacturing. The contract cost of the food retailing study is $29,512, and the cost of the food manufacturing study is $106,914. In addition, the Food Commission is obtaining special tabulations on national and local market structure from the Bureau of the Census for the use of FTC in doing its work. Outlines of the studies are attached.

CONCENTRATION, INTEGRATION, AND DIVERSIFICATION IN FOOD MANUFACTURING

I. NATURE AND OBJECTIVES OF STUDY

The study will describe the structure of food manufacturing including an analysis of market concentration, product differentiation, and the condition of entry. The study will pay particular attention to the place of large multiproduct "conglomerate" firms in the structures of product industries and analyze the role of mergers in extending the dominance of these firms into more and more areas of the food industry. The study will also analyze interrelationships between product industry structures and competitive behavior, particularly rates of return, attributes of nonprice competition, and conduct as revealed by the investigation and case files of the Commission. (Attached is an outline of the subjects covered by the project.)

II. SOURCES OF DATA

The study will rely primarily on data already in the Commission's files but will use data from: the 1963 Censuses of Manufacturers, the Internal Revenue Service, various surveys of product markets, and industry trade journals.

III. PERSONNEL AND COSTS

This study can be completed in 14 months if staffed as follows:

1 economist (GS–15)	$19,203.33
1 economist (GS–13)	14,087.50
1 attorney (GS–12)	11,958.33
1 accountant (GS–12)	11,958.33
1 economist (GS–9)	8,423.33
1 statistical assistant (GS–7)	7,058.33
2 clerk-typists (GS–5)	11,666.66
Estimated personnel costs	84,355.81
Overhead (22 percent)	18,558.28
Machine tabulation	4,000.00
Total	[1] 106,914.09

[1] This project is scheduled to begin Mar. 1, 1965, and will be completed by Apr. 30, 1966. This will require an allocation of $30,588 for fiscal 1965, and $76,326 for fiscal 1966.

CONCENTRATION, INTEGRATION, AND DIVERSIFICATION IN FOOD MANUFACTURING

I. The purpose and introduction to the report.

(a) The purpose of the report.

(b) The place of food manufacturing in the American economy.

1. Its growth in output and employment.

2. The relationship between its growth and population distribution, consumer incomes, agricultural output and the organization of grocery distribution.

(c) A brief history of food manufacturing emphasizing the growth and development of four principal sectors: canning, baking, dairy and meat packing.

1. The early history.

2. The effects of the two world wars.

3. Changes occurring in the post-World War II period.

4. Current and future trends.

II. The organization and structure of food manufacturing.

(a) The extent of grocery manufacturing markets.

(b) Economies of scale in production.

1. Plant.

2. Multiplant.

3. Multiproduct.

(c) Economies of scale in distribution.

1. Advertising.

2. Product-line diversification.

III. Industry concentration trends.

(a) Changes in numbers of firms.

(b) Trends in overall concentration; 4, 8, 20, and 50 largest food manufacturers.

1. Trend in the size distribution of sales, assets, and profits.

2. Percent of concentration trend explained by increasing diversification of firms.

3. Percent of concentration trend explained by industry growth rates.

(c) Trends in product market concentration.

1. Value added by 4, 8, and 20 largest producers in 1947, 1954, 1958, and 1963.

2. Distribution of employment and shipments by degree of concentration in 1947, 1954, 1958, and 1963.

IV. Diversification and conglomeration in food manufacturing.

(a) Description of the character of the conglomerate firm in food manufacturing. Sketches of several leading conglomerates. Résumé of several conglomerate-dominated product areas including some which have only recently become dominated by large conglomerate firms.

(b) Analysis of the increasing conglomerate character of the 50 largest food manufacturers 1954–64.

(c) Analysis on a product-by-product basis showing the increasing number of top ranking seller positions occupied by 50 largest food manufacturers 1954–64. Also estimate on a product-by-product basis the brand shares controlled by 50 largest firms.

(d) The importance of conglomerate firms in the sale of new products developed after World War II.

V. Role of mergers in the growth of food manufacturers: 1950–64.

(a) Number and asset size distribution of food manufacturing mergers.

(b) Characteristics of acquiring firms.

(c) The contribution of mergers to the growth of large firms and to increases in the sales, assets, and profits concentration in overall food manufacturing and in three-digit industry groups.

(d) The contribution of mergers in extending the dominance of large conglomerate firms to new product areas and to product areas previously dominated by relatively specialized firms.

(e) The contribution of mergers to extending the participation of large advertisers to more and more food product areas.

VI. The condition entry in manufacturing.

(a) Economics of scale in plant operation as a barrier to new entry.

(b) Large scale advertising as a barrier to new entry: concentration of advertising expenditures and advertised brand sales; the cost advantage of large scale advertising; barriers to prime-time network television advertising.

(c) Direct distribution as a barrier to entry.

(d) A review of structural conditions faced by minor-brand producers and private-label suppliers. Summary of patterns of buyer-seller concentration found in FTC freezer, canner and frozen orange juice industry studies and a review of entry conditions in these industries.

(e) Characteristics of new entrant firms and smaller established firms in food manufacturing industries.

(f) New entry in food manufacturing effected through backward vertical integration by grocery retailers and wholesalers.

VII. Behavior and performance.

(a) Profits to net worth and sales classified by firm size, size of advertising expenditure and age of firm.

(b) Advertising expenditures and other attributes of nonprice competition.

(c) Antitrust action in the food manufacturing area.

1. The relationship between types of product industry structures and types and frequencies of antitrust violations.

2. Summary of food industry pricing practices and FTC price discrimination litigation over last decade—the problem paced by increasing conglomeration.

CONCENTRATION AND INTEGRATION IN FOOD RETAILING

I. NATURE AND OBJECTIVES

The study will deal primarily with the changing market structure of grocery retailing in recent decades—including concentration, vertical integration and barriers to entry—and analyze several of the most significant factors responsible for these changes, particularly the rise of the supermarket, the advantages of large-scale organization and mergers. The study will also analyze certain aspects of market performance in food re-

tailing as reflected in marketing margins, promotional expenditures, and profits. (Attached is an outline of the subjects covered by the project.)

II. SOURCES OF DATA

The study will rely on information already available in the Commission's files, public sources and the Bureau of the Census.

III. PERSONNEL AND COST

The study can be completed in 6 months if staffed as follows:

1 economist (GS–15)	$8,230
1 attorney (GS–11)	4,325
1 economist (GS–9)	3,610
1 statistical assistant (GS–7)	3,025
2 clerk-typists (GS–5)	5,000
Estimated personnel costs	24,190
Overhead (22 percent)	5,322
Total	[1] 29,512

[1] This project is scheduled to begin Mar. 1, 1965, requiring an allocation of $19,674 for fiscal 1965 and $9,838 for fiscal 1966.

MARKET STRUCTURE, CONDUCT, AND PERFORMANCE IN FOOD RETAILING

I. Introduction.
(a) Nature and purpose of study.
(b) Place of food retailing in the economy.
1. Share of consumer's dollar—significance of this statistic.
2. Resources devoted to food retailing—assets and employees.
3. Contrast size of food retailing with other segments of retailing and economy.
4. Significance of retailing to farmers, processors and consumers.
(c) Emergence of large-scale retailing.
1. Birth and early growth of chains.
2. Development of voluntary and cooperative groups.
3. Integration of retailing, wholesaling and manufacturing functions.
4. Rise of the supermarket; (a) origin and growth: (b) the discount house.
II. Concentration in food retailing.
(a) The nature and measurement of market concentration.
(b) Relative growth rates of various size retailers.
(c) Expanding role of voluntary and cooperative chains.
(d) Changes in number of retailers—compare with pepulation changes.
(e) Concentration of sales among food retailers in local markets—show changes in concentration between 1948 and 1963 in a large group of metropolitan areas.
(f) Concentration of purchases in local, regional and national markets.
(g) Some causes of increasing concentration.
1. Economies of large stores—made inevitable demise of many small stores.
2. Economies of large firms—contrast concept of "firm" and "store": (a) relationship between size and profits; (b) relationship between size and gross margins.
3. Shopping center problems and other barriers to entry.
4. Advantages of vertical integration and relationship between horizontal and vertical size (dealt with in detail under IV below).
5. Advantages of large-scale buying (dealt with in detail under VII below).
6. Advantages of conglomeration (dealt with in detail under V below).
III. Vertical integration.
(a) The nature and measurement of vertical integration.
(b) Early manufacturing by retailers.
(c) Nature and extent of vertical integration—changes over time.
(d) Changing patterns of vertical integration—particularly during and since World War II.
(e) Causes of vertical integration.
1. Economies of coordinated production and marketing.
2. Market structure reasons for integration.
IV. The conglomerate character of food retailers.
(a) Nature and measurement of firm conglomeration.
(b) Differences in absolute size among retailers.
(c) Multimarket character of large retailers—show increasing conglomeration of 20 largest retailers.
(d) Potential economic significance of conglomerate retailers.
(e) Contrast significance of conglomeration for corporate and affiliated chains.
V. Role of mergers in changing structure.
(a) Pre-1948 mergers in retailing.
(b) Post-1948 retail mergers.
1. Size distribution of acquired retailers.
2. Size distribution of acquiring retailers.
3. Importance of mergers to the growth of large retailers.
4. Types of retail mergers: (a) Horizontal—in retailing and in buying; (b) geographic market extension.
5. Contribution of mergers to retail concentration.
6. Reasons for retail acquisitions: (a) as viewed by buyers; (b) as viewed by sellers.
C. Acquisition of manufacturing operations.
1. Nature of acquired units.
2. Nature of acquiring retailers.
3. Contribution of acquisitions to growth.
4. Reasons for acquisitions.
(d) Mergers involving voluntary and cooperative groups.
1. Mergers among groups.
2. Acquisition of manufacturers by groups.
3. Contribution of mergers to growth.
4. Reasons for acquisitions.
(e) Competitive significance of mergers and acquisitions.
1. Horizontal acquisitions: (a) Contribution to concentration in selling; (b) contribution to concentration in buying.
2. Geographic market extension mergers: (a) Impact on potential competition; (b) impact on entry; (c) contribution to increased conglomeration of large retailers.
VI. Market conduct.
(a) Introduction—analysis of conduct restricted largely to data available in the Commission's files.
(b) Buying power of large buyers—this discussion will involve an analysis of all the Commission cases and consent orders in which large buyers allegedly received preferential treatment.
(c) Loss leader selling—the evidence available in the Commission's files on this subject will be reviewed.
(d) Subsidized expansion and overbuilding of supermarkets.
1. Theory of conglomerate firm's ability to subsidize entry and entrench itself.
2. Relationship between market position and profits.
3. Use of conglomerate derived power.
4. Contrast with independents, voluntary and cooperative chains.
VII. Industrial behavior.
1. Costs of distribution: (a) Changes in gross margins since 1920's; (b) gross margin by size of retailers; (c) comparison of particular cost items; (d) analysis of factors responsible for increasing distribution costs.
2. Profitability of food retailers: (a) Profits as a percent of sales; (b) profits as a percent of net worth; (c) relationship between profits and size; (d) relationship between profits and market position.
3. Relationship between market structure and gross and net margins.

Mr. CUNNINGHAM. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I am glad to yield to a fellow Commission member, the gentleman from Nebraska.

Mr. CUNNINGHAM. Mr. Chairman, I am sure all of you have been impressed with the statements that have been made by those of us who serve on the Food Marketing Commission. I was highly pleased when the President of the United States recommended to the Congress that this Commission be created. If he felt this study was necessary and the necessary information was not available as the Committee on Agriculture Appropriations seems to indicate it is, within the Department of Agriculture, there certainly would be no need for him to recommend that this Commission be created. Since it has been created, and I feel it is a high honor to serve as one of the five Members of the House, appointed by the Speaker, along with other distinguished members, I feel we have gotten our teeth into something that is going to be of really great benefit to the producers and to the consumers of America. I have been impressed with the work and the sincere way in which all of the members of the Commission have taken hold of this thing. I am particularly impressed with the House Members. I am also impressed with the Senate Members and especially impressed with the five members appointed by the President of the United States headed by the distinguished retired Chief Justice of the Supreme Court of the State of California, Judge Gibson.

This is such a technical subject that it took some time to assemble a competent staff. We have, in my opinion, and I have been in a position to know being on the Civil Service Committee for 9 years, as I say, I am in a position to know people and their capabilities. I am certain that we have a very highly trained and capable staff. I would regret to see the work of this Commission handicapped because there is not a clear understanding on the part of the Appropriations Committee as to what we are trying to do. I know it would be a great disappointment and a letdown to the President of the United States if this money is not restored so that this Commission can continue its work and make its decisions and offer its conclusions.

Mr. Chairman, at the proper time I will ask permission to insert at this point telegrams that I received from interested groups, for example, from the National Grange who urge that the full appropriation be granted and the National Council of Farm Cooperatives and many others who are very much interested. They know the importance of this work and indeed would be very disappointed if we are not able to complete this important study which is going to be of so much benefit to the people of the United States. Certainly, we want to uphold the President of the United States who felt the urgency of this study and recommends that it be given the money which it needs to do its job.

These are the telegrams referred to:

WASHINGTON, D.C.,
May 26, 1965.

Hon. GLENN CUNNINGHAM,
New House Office Building,
Washington, D.C.:

The National Grange earnestly supports demands to restore Food Commission funds

to agriculture appropriations bill. The enormous job which has been assigned to the Commission demands adequate funds for agencies who will be responsible for the development of the necessary information required by the Commission.

HARRY L. GRAHAM,
Legislative Representative, the National Grange.

WASHINGTON, D.C.,
May 25, 1965.

Hon. GLENN CUNNINGHAM,
House of Representatives,
Washington, D.C.:

We urge that every effort be made to restore the full budget of $1.5 million recommended by the administration for fiscal 1966 activities of the National Commission on Food Marketing. This matter is of greatest significance for long-range farm income and a healthy, efficient food marketing system.

The work of the Commission should be far broader than price spread study. There is urgent need for a searching and comprehensive investigation which will provide deeper understanding of the complex factors, including market structure and relative bargaining power, which determine prices, affect farm income, and set the future course for the food industry.

KENNETH D. NADEN,
Executive Vice President, National Council of Farmer Cooperatives.

(Mr. CUNNINGHAM asked and was given permission to revise and extend his remarks.)

Mrs. MAY. I thank the gentleman from Nebraska.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. COHELAN].

Mr. COHELAN. Mr. Chairman, I am very pleased to see that this bill includes an appropriation of $2 million to begin the program of rural housing for domestic farm labor.

The lack of adequate housing has been one of the prime difficulties in recruiting and holding an adequate supply of domestic farm labor, and this appropriation is an important step in the right direction.

Unfortunately, Mr. Chairman, this bill provides only one-fifth of the amount which had been authorized for this program and less than half of the $5 million appropriation which had been requested by the Department of Agriculture. I would hope, therefore, that this question could be reviewed at an early date and that consideration will be given to providing the full amount which has not only been requested but which is urgently needed.

(Mr. COHELAN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I yield myself 2 minutes.

I wish to say at this point—and I rise only so that the RECORD may be more complete—the Appropriations Committee feels that the National Commission on Food Marketing has a very excellent membership. We anticipate this Commission will render a great service. I know I speak for all members of the committee when I say that we strongly support them.

I do believe we should point out that the members of the staff of the Commission who were before our committee were unaware that there are now 1,000 employees doing this research work in the Department of Agriculture, and that they have been doing this type of research for many years.

I quote from the report:

At the present time it has over 1,000 employees in the Economic Research Service conducting economic research on agricultural production, marketing and distribution. A complete description of the information available from the research projects of this agency in contained in the hearings on the 1966 budget—part 4, pages 518–539.

We further said:

The Department should cooperate fully in bringing together all available information for the use of the Commission. To the extent necessary, it should temporarily assign personnel to the Commission to assist in developing and assembling the basic data required.

I say again that I do not know where one could find finer people than the members of this Commission. But research and activities of this kind in Government are so numerous as to be beyond my knowledge or anyone else of whom I know.

A few years ago we were asked for a quarter of a million dollars to provide a cold storage research unit at Peoria, Ill. It happened that I had been at Eglin Air Force Base, where they had a unit large enough for several boxcars, and I asked them whether they would be willing to use that facility. They said they surely would be. When inquiry was made of the Air Force, the Air Force said, "Sure, but why not use the one at Fort Belvoir, which is convenient?"

We point out that all of this information is available, in the hope that the Commission can bring the information together, simplify it, and get ahead with the job. I assure all Members that the committee does mean to support the Commission in the discharge of its duties.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. ICHORD].

Mr. ICHORD. Mr. Chairman, earlier it was brought out that the item for resource conservation and development of the Soil Conservation Service was reduced $1,490,000 from the administration's request of $4,303,000 to $2,813,000. This is almost a 35-percent cut. I realize the committee has its budgetary problems but the size of the cut in the budget for the Soil Conservation Service concerns me greatly. This is the item that provides technical assistance to local sponsors in planning and carrying out land conservation and land utilization projects in selected rural areas. It was authorized by the Food and Agriculture Act of 1962.

Since this program was authorized 3 years ago the Congress has provided funds for only 10 pilot projects in 10 States. The administration has proposed that sufficient funds be appropriated for fiscal year 1966 to continue these 10 pilot projects and initiate 10 more. To do this, the administration proposed an appropriation of $4,303,000 for 1966. The Committee on Appropriations reduced the administration's request by $1,490,000. Personally, I do not believe we can spend money for a more worthwhile purpose.

Resource conservation and development projects are initiated and sponsored by local people to provide additional economic opportunities through accelerated conservation, development, and multiple use of natural resources. These are self-help projects that aid materially in making a better life in rural America. They provide new employment and other economic opportunities to local people. The work plans are developed with technical assistance from the Soil Conservation Service and help from other cooperating Federal, State, and local agencies. The projects average two to three counties in size.

These projects are carried out with the cooperation of several governmental units. They are sponsored by governing bodies of soil and water conservation districts, county government, municipal government, and other local groups of citizens. Local leadership is the key. It organizes and directs the technical and financial resources of all participants to carry out the project plans.

All segments of the community—rural, surburban, and urban—can coordinate their activities toward a unified approach in meeting local problems and improving resource use. Often, the very act of taking stock of resources and planning together for their use stimulates people to carry out measures on their own.

I do not intend to offer an amendment today, but I hope the Senate committee looks at this cut closely. Thirty-five percent is a large cut for such a vital and important program. I think we should provide the funds to start at least 10 more projects in other States during the coming year.

I am informed that already the Department of Agriculture has applications for 22 projects. My congressional district is included in these applications. The "Top of the Ozarks" project covers Dent, Texas, and Shannon Counties in Missouri. It is sponsored by the three soil and water conservation districts which cover this area, by the three county courts, and the three extension councils. These groups have joined together in developing and filing an application for assistance in planning a better economic future for their community.

I am advised that this application is considered a sound proposal. The Governor of Missouri has concurred in it. Many local groups are supporting the application. It will mean much to the future development of this rural area. I am sure the same is true for similar areas in other States.

Encouraging and assisting the conservation and development of land and water resources so that people can continue to live in rural areas and small towns is the soundest investment that can be made.

The avalanche of mail that has reached Members of Congress in support of ap-

propriations for the Soil Conservation Service to assist local soil and water conservation districts is evidence that this work has widespread support throughout the Nation.

Mr. MICHEL. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. LANGEN].

(Mr. LANGEN asked and was given permission to revise and extend his remarks.)

Mr. LANGEN. Mr. Chairman, the bill before us can be viewed with pride and satisfaction or with disgust and disappointment, depending on what our own individual interest may be. Strangely enough, the consumer is the one who may regard this bill with satisfaction, while the farmer will probably register some disgust. In fact, it can be said with some degree of validity that this bill has greater appeal and is of greater interest and importance to the consumer than it is to the actual farmer and the producers of food and fiber. For within these appropriations rests the assurance that the consumers in the United States will have an ample supply of food at a cost which, when related to the average income, is cheaper than it is anywhere else in the world, while to the farmer, the bill offers little or no assurance that his economic plight is going to be improved. This, of course, is true because moneys are provided herein to sustain the existing farm programs, leaving the farmer with an income potential that is comparable to the depression days of the 1930's.

This is the rather astonishing revelation that has come to a new member of the subcommittee. It has been a great experience to have had the opportunity to serve with the very able and distinguished chairman, the gentleman from Mississippi [Mr. WHITTEN] and the gentleman from Kentucky [Mr. NATCHER], as well as the ranking minority member, the gentleman from Illinois [Mr. MICHEL]. All have displayed with distinction a knowledge that can be acquired only by years of dedication, study, and interest in the problems of agriculture. Farmers and consumers alike are fortunate indeed to have had the benefit of their services over the years. The gentleman from Missouri [Mr. HULL] and the gentleman from New Mexico [Mr. MORRIS] have likewise added greatly to the committee in its many and varied considerations.

I think it is well that we take a few moments to discuss the interests of the consumer as well as the farmer in the legislation that is before us. To begin with, what are some of the items in this appropriation that is of such great interest and benefit to the consumer? I shall try to identify but a very few of them.

May I first refer to page 52 of the committee report, title I, "General Activities." The first item we notice therein is Agricultural Research Service. Under this title, we find such items as general research, plant and animal disease and pest control, cooperative State research service, the Extension Service, the Soil Conservation Service, which has such items listed under it as watershed planning, watershed protection, flood prevention, the Great Plains conservation program, resource conservation and development, Consumer Marketing Service, agricultural conservation program, a cropland conservation program, conservation reserve program, emergency conservation measures, and a good many others.

And what have all of these got to do with the consumer? And how does he derive either any benefit or a direct interest in the moneys that are expended for each of these many and varied programs?

It is within the scope of these programs that we in America have achieved the very enviable ability to produce food and fiber in not only sufficient quantity and excellent quality to take care of all of our own needs and demands, but also in such quantities that we are able to supply the needs of a great number of the rest of the nations of the world. Let me very briefly identify a few of them—for instance, the number of research projects that produce the new varieties of grain, the new strains of cattle, hybrid corn, or those that have prevented or eradicated the many and varied plant and animal diseases and pests.

I want to say to this House with all of the emphasis I can muster that if it had not been for the activities in the field of research in each one of these fields over the years, we as a nation would not have been in a position today to even raise our own needs of food and fiber. While it certainly is true that the results of research have a direct relationship to the production capacity and income of the farmer, it is just as true, and in my estimation, even more important, that they provide the assurance to the consumer that these foods are going to be available at a price he can pay. It is common knowledge to anyone who has been in the farming business for a number of years that there are many kinds of pestilence that constantly threaten production of any and all farm commodities. Let me recall very briefly, if you will, the experience that has been a threat to wheat farmers for as many years as I can remember; namely, the problem of rust.

We can go back all the way to the 1920's, and certainly it was true in the 1930's, that the rust epidemics were so bad that many burned entire fields of wheat because they were not worth harvesting. Now, had our research people not been able to produce new rust-resistant varieties, and to have done so consistently and periodically with the cycles that are characteristic of rust, this Nation would not be producing any wheat today. The same is true of almost every crop you can think of, and whether it be hybrid corn, a new variety of apples, hybrid chickens or turkeys, all of them have been responsible for the ability to improve the production that is so essential to today's supply of food and adequate diet that is available to every citizen of the United States.

It follows logically, and of equal importance, to note the work that has been done in the matter of conserving our Nation's soil. And whether it be the watershed planning programs, flood prevention, resource conservation and development, or the many other soil conservation programs, each of them is responsible for maintaining and improving the fertility and productiveness of the greatest natural resource we have; namely, a productive soil. A nation's growth, progress, and strength will never be any greater than its ability to supply its people with food and fiber, the very vital essentials of life. Often this asset is overlooked and not properly evaluated.

We might look for a moment at the conservation reserve program, which is generally known throughout the country as the soil bank, and has been labeled as a program whereby you pay someone for not raising something. However, there is another phase of this program that is equally worthy of our consideration, namely, that this is land that has been put aside because we do not need it at the moment, and so we conserve its fertility and its productive capacity for the day when we will need it—and that day may not be too far away, as we look at the continuous increase in population and at the same time note the continuous demand for land to provide adequate space for the housing, transportation and all of the many requirements that the increased population needs.

And so we see that every one of these programs bear great importance to the future well-being of this Nation and all of its people. Certainly the same can be said for adequate credit being provided through the Farmers Home Administration in order that the respective production units can be adequately financed, so they can meet the ever-increasing burden of necessary investments and production costs in order to keep up with the scientific developments that again have the effect of providing increased productive capacity.

Of equal importance is the special school milk program, the school lunch program, and yes, the consumer protective marketing and regulatory program, each of them making sure that there is adequate and proper distribution of foods, readily available to everyone, giving assurance that we will continue to be the best-fed Nation in the world. It is for these reasons that your committee has given long and tedious deliberation to each one of these appropriations, in order that we may strengthen, rather than weaken this Nation's productive capacity, and to provide production stability so that we will not be faced with the dangers of having our food supply curtailed or crippled by the unavoidable causes of nature that can bring disaster to the production of so many of our very vital crops.

It is for this reason that your committee saw fit to restore the hundred million dollars of moneys to the agricultural conservation program, because it is a program that deals specifically with the improved production capacity of a good many farms that would not be accomplished without the aid and the assistance of this kind of a program.

The results of research and conservation programs are so in evidence by the fact that it takes only 18 percent of the

average family income in this country to adequately feed our people, whereas in many other countries, Russia, particularly, this same ratio is as high as more than 50 percent of the total average family income. This has been brought about because of research that has increased production by better yielding and better quality products. All of this has been accomplished in spite of the cost-price squeeze that is so well identified on page 3 of the committee report, which indicates the extent to which the cost of production has consistently gone up, and yet the prices received by the producers have just as consistently been going down, ever since 1945.

What a significant wealth this provides to this Nation and to its many people, whether we consider it from the standpoint of the supplies of food that we have and our ability to produce them, or we consider it from the standpoint of the available knowledge that is in our possession in order that we might be able to combat the many hazards that will come in the way of food production as we look to the years ahead, remembering that our demands are going to be greater, our resources are going to be smaller, and possibly the problems in connection with production are going to be even greater than those we have witnessed, experienced, yes, and conquered, up to this day.

The full scope of these results to the consumer, however, are not recognized until we begin to explore what these conditions might have been under other circumstances. Many of us remember the realities prior to World War II, and the events that have taken place since. I recall only too well when, prior to World War II, we then had the same problems that we have now, large surpluses of grains, of dairy products and food items in general, that were giving us great storage and production problems that had necessitated various control programs. World War II came along, and it was only a very short time until we found ourselves in exactly the reverse situation.

Let me again take wheat as an example of what I mean. In 1940 we had great supplies of wheat as we have now. We filled commodity credit bins all over the country and were wondering what in the world we were going to do for additional storage space. Within a matter of less than 3 years, we not only had used up all of our supplies, we had increased our production capacity by removing all restrictions, and encouraged farmers to produce to capacity. I remember conducting meetings in which we were requesting wheat farmers to sweep out their granaries and bring to the market any amount that they might have, whether it be 5 bushels or 500 bushels, and offered to pay them 30 cents a bushel bonus just to deliver that wheat.

It might be well for us to very briefly recall, too, the ration stamps and how it was necessary to have a ration book with you to the store in order to buy meat, butter, sugar and many of the other essential food commodities. But possibly even more significant was the price of those commodities on the market at that time. Many of you, I am sure, remember that wheat was in excess of $3 a bushel, barley was $2.50, flax was high at $7.50, beef on the hoof was 35 cents a pound, but, you know, I do not recall hearing anybody complain that farmers were getting too much money even in those days; in fact, they were rather continuously encouraged to produce a little more at any cost. And so we see that these programs of research, of soil conservation and of providing an adequate knowledge of production abilities are actually a guarantee that we are not going to be faced with the problem of having to ration food or pay excessive prices, prices that might well be almost double of what they are in the market today.

These are but a few of the many fine returns that have resulted from research and conservation programs. This is not to say, however, that all moneys appropriated in these bills are necessarily well spent, for there is great opportunity for a duplication of effort, a waste of money in unnecessary programs that might much better be spent to explore new fields and problems that continually develop.

While the committee has done its very best in making these evaluations at this time, it should be kept in mind that a reassessment is always in order to make sure that the research and conservation dollar expenditure is most productive. To do so is truly in the best interests of the consumer and farmer alike.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. LANGEN. Yes, I shall be glad to yield to the distinguished chairman of the subcommittee.

Mr. WHITTEN. I want to say at this point, Mr. Chairman, that I do not know when I have seen a more able Member of Congress come to the Committee on Appropriations than the gentleman from Minnesota. It has been my pleasure to work with the gentleman from Illinois [Mr. MICHEL], the gentleman from Kentucky, and the other new Members on the Democratic side this year, all of whom have contributed greatly. But, Mr. Chairman, the gentleman from Minnesota is making a very excellent presentation which clearly demonstrates the knowledge he exhibited throughout the hearings. I want the RECORD to show that the gentleman has and will continue to make a great contribution to American agriculture and to America, including the consumers.

Mr. LANGEN. Mr. Chairman, I thank my chairman for those very kind, gracious, and flattering remarks.

But, Mr. Chairman, what about the farmer? What assurance does he have that he will be amply rewarded for the work and the effort that he has put into this great national productive unit? I said at the outset that he might be inclined to view this expenditure of money with some disgust and some disappointment, and frankly, I think justifiably so. For the committee report, the many statistics that are contained in the hearings, some of which have been procured by testimony, others that have been procured by research and diligent work on the part of the committee staff, all indicate that the farmer's income has consistently gone down to the point of where he is now faced with conditions that are comparable to the depression days of the 1930's. It matters not which of the many studies and analyses that have been made of the subject we use, whether it be taken from the Department of Agriculture's Farm Income Situation, or the Survey of Current Business as prepared by the U.S. Department of Commerce, or if it be taken from the Economic Indicators as prepared by the Joint Economic Committee, and I could go on and list a good many more, every one of them shows that the net income is down and that the farmer's return for his labor, management, and investment has decreased consistently. Our report indicates that the farmer's share of the consumer's dollar has dropped from 52 to 37 cents since 1945, and that his return on labor, management, and investment has dropped from 21.2 to 8.2 percent. This is further substantiated when we look at the extent to which farm indebtedness has grown during recent years, now having reached the point of where it amounts to $2.86 for every dollar of net income, which is serious when we consider the fact that it is more than 50 cents higher than it was in 1929, just before the crash and the great depression.

While there are large amounts of money appropriated to the Department of Agriculture and the Commodity Credit Corporation for the purposes of carrying out price-support programs and existing crop-control programs, they do not indicate that there is going to be any improvement in the farmer's income. In fact, in the analysis as prepared by the Department of Commerce, they state that the Department of Agriculture estimates the prices received by farmers for crops are likely to average lower in 1965 than in 1964, as further changes are made in Federal programs, with increases in various Government payments which will offset some of the revenues lost, as a result of lower market prices.

Obviously, this presents a problem that is worthy of our most serious consideration today, as we are concerned with appropriating the money to be expended in connection with these programs for fiscal year 1966. During the lifetime of farm programs, we have spent many billions of dollars seemingly to no avail, because the farmer's economic problems today are just as grave as they were 30 years ago at the beginning of these many farm programs.

While it is not the prerogative of your committee to change any of these items which are legislative matters, for we are confined to appropriating the moneys necessary with which to carry out the programs that are in existence and those that are to come, it still becomes a point for us to consider, whether or not adequate return is received for the moneys expended. It is my opinion, and I am sure one that is shared by a good many farmers, that we have not been getting our money's worth for these expenditures in recent years.

This is evidenced throughout the entire committee report showing the many inequities of farm income when compared to income in every other category

of our populace and business enterprises. Whatever comparison one may want to make, they all come out exactly the same, whether we look at the farm income tax returns, which incidentally show that more than 34 percent of these returns show a net loss, as compared to a profit, or if we look at existing markets or price supports, all of them show an economic return for the farmer's efforts that is down substantially—and I cannot help but think what a calamity it would be if other segments of our Nation had experienced comparable reductions in income. Every other segment of our society has continuously enjoyed increases in income, which accounts for the increased cost of the things a farmer has to buy that are essential to his livelihood and operation needs. Yet, there are those who want to imply that there is a substantial degree of inefficiency when related to the production of food. This is one of the greatest fallacies that has been perpetrated on the American Nation in a good long time. The facts are that agriculture has been able to continue and even to expand its production capacity with a continuous reduced income, the increased food prices being accountable only to the cost of manufacturing and processing and marketing. Yet many of the same people who are prone to be critical of farm programs and farmers in general found it necessary to make responsive increases in their cost of operation, but continued to expect that farmers would produce in greater quantity for less.

The sad part of this story is that much of this economic distress that is so prevalent on farms today has actually been perpetrated by Government programs, policies, and expenditures. Government regulations have been somewhat responsible in varied degrees for minimum wages, limited workweek, even freight rates, taxes, interest, inflation, and many other factors, all of which increase the farmer's cost of production. Government has played an even greater role in establishing the present farm price structure by reduced support prices, curtailed production, and accumulated surpluses that are a constant depressing factor on prevailing market prices. Government as well has, through varied programs and huge expenditures, encouraged production by improved farming practices, irrigation projects, shifting of crops into areas that formerly did not produce such crops, and even more important, Commodity Credit sales on the domestic market have had a direct influence in curtailing market prices. That this is true is certainly emphasized by the Secretary's admission that these sales were necessary in order to make the present programs work. It is no wonder that the farmer may regard the appropriations in this bill with disgust when he recognizes that these moneys permit such actions to take place, making it more important to have the programs work than to permit a reasonable market price to prevail, which the program was designed to accomplish in the first place.

If this sounds like doubletalk, it is only because this is what such actions actually are.

Within the realm of these varied Government activities as they relate to production costs and available prices we certainly find a substantial Government responsibility for the deplorable conditions that prevail today. These facts set forth very clearly the responsibility of Government to accomplish an improved income and economic opportunity for the producers of food and fiber, by virtue of conditions that it has played a significant part in creating.

It was generally accepted in the 1930's that 75 percent of parity of income was then inadequate, and I am sure that it is just as inadequate today, more than 30 years later. It was the prime purpose in establishing the Commodity Credit Corporation and commodity credit loans at that time to raise the market prices by using this means of keeping excess commodities off the market, thereby permitting orderly marketing with supply and demand functioning to improve prices. Under the present system, as I indicated earlier, the Commodity Credit Corporation now actually uses its stocks and authorities for purposes of depressing the market and preventing the normal market response to supply and demand. Such policies can only place further responsibility directly on Government for the prevailing undesirable price conditions.

It is no wonder that farmers are further disturbed when they then note that because of these conditions there are further Government suggestions that we now remove more than 2½ million families from farms into other occupations, seemingly because other occupations are more profitable and would provide a better income for these individuals.

Their only justification for making these suggestions seems to be that we are going to get rid of small, inefficient family operations, expecting that we can produce the same amount of food on larger operations for less money. This is a rather unique suggestion, when we note the history of present-day agriculture around the world, with Russia having by far the highest percentage of cost for food of the average family income of any nation in the world, and that this is also where we find the largest farms, with the greatest direction and regulation by Government.

We might do well to give some sincere thought to the many further problems that would come to rural areas were such a suggestion to become a reality. The movement of 9 million people into other occupations and metropolitan areas would create a very resounding effect on the entire makeup of our country in the future. It would generate many unthought of problems to rural communities, local units of government, such as the township, the county, the school district, and even States, which in turn would have further far-reaching effects on educational systems, churches, employment and unemployment problems, welfare, retraining costs, and many others.

I have sincerely felt that all of these items are of such importance to the future of our entire Nation that it is imperative that we give thought to them as we continue to appropriate moneys for Government activities that are so directly related to the future of every segment of our populace and every sector of our country.

While I heartily recommend this bill to the House, and commend the committee for its deliberations, wisdom, and judgment in establishing the appropriations at these levels, I do so only with the hope that future appropriations may find expenditures of these moneys serving an improved purpose with better results to rural America.

May I further encourage every Member of this House and every citizen with either a consumer or an agricultural interest to read and study the committee report as well as the committee hearings, for they contain information with which we must be conversant if we hope to accomplish the previously stated objectives in the future.

(Mr. NELSEN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. NELSEN. Mr. Chairman, today the House is considering one of the most important appropriations measures of this session—the agriculture appropriations bill.

American agriculture provides jobs for 12 million people and profits for hundreds of thousands of businesses. Farming alone employs 6.1 million workers—more than the combined employment of the transportation, public utilities, steel, and auto industries. The farmer and his family spend about $40 billion a year for goods and services, and their products make possible an $80 billion a year food industry.

Farming uses more petroleum than any other industry and one-third as much steel as the auto industry. Agriculture's assets of $230 billion are about equal to two-thirds of the current assets of all U.S. corporations; or about three-fifths of the market value of all corporation stocks on the New York Stock Exchange.

This massive industry also provides the American people the greatest bargains in the history of food marketing. The average American family spends less than 19 percent of its take-home pay for food. We pay 72 percent more for medical care than we did in 1950, 52 percent more for professional services, 37 percent more for housing, and 38 percent more for transportation; but we pay the farmer 15 percent less for his products than we did in 1950. In addition, last year this efficient industry, composed of only 8 percent of the American people, provided agricultural exports worth over $6 billion, thus contributing a net of $2.3 billion to our trade balance situation.

In view of these figures, it is obvious that American agriculture represents the greatest success story of all time. Yet, the people directly responsible for this success, the people on America's family farms, are not receiving their fair benefit from this abundance. The per capita income of Americans on farms is less than two-thirds of that received by nonfarm people—about 63 percent. The cause is obvious—farm production expenses have followed the rising trend of our overall economy, while farm receipts

have languished at levels reminiscent of the 1930's.

In 1947 farm production expenses averaged 57.6 percent of cash receipts. Last year this figure was 80.1 percent and rising. The 1933 figure was 80.9 percent. While retail food prices have increased 29 percent in the past 16 years, net farm income has gone down 29 percent. In the last 4 years the costs of farm production increased more than $3 billion. The $700 million increase in realized net farm income reported by the Department of Agriculture during the last 4 years is actually in terms of inflated dollars—not real dollars. The real dollar increase, in terms of 1960 dollars, was only $200 million—far below the great increase enjoyed by other segments of the economy. The number of farmers reporting a net loss increased from 29.8 percent in 1962 to 34 percent in 1963. Only 15.4 percent of the business and professional group showed a net loss for 1963.

The evidence of the cost-price squeeze as revealed in the committee report on this bill would stagger the confidence of any corporation executive. I quote from that report:

While the gross national product has increased from $214 billion in 1945 to $622 billion in 1964, while annual per capita nonfarm income has increased from $1,164 to $2,181 during this period, while average gross hourly earnings for factoryworkers have gone down from 22.7 to 18 percent of consumer income, compared to 50 percent or more in much of the rest of the world, the farmer's share of the consumer food dollar has declined from 52 to 37 cents, and his return on labor, management, and investment has decreased from 21.2 percent to 8.2 percent.

The report goes on to note that from 1945 to 1964, average farm investment went up 377 percent, farm debt went up 334 percent, and net income as a percent of investment went down 61.3 percent. Farm indebtedness increased $12 billion, from $26.2 billion to $38.3 billion in the last 4 years alone.

These figures are necessarily cold and stark, but the problems created are human. A constituent of mine, a farm wife with seven children, expressed the common plight of America's family farmers. She and her family run a 240-acre grain and dairy farm, a $100,000 investment. They produce between $15,000 and $20,000 in gross sales per year which brings a net profit of $3,000. In her own words, "We do our job 100 percent, our return is 75 percent."

For another viewpoint, I include at this point in my remarks the Grain Terminal Association "Daily Radio Round-up" for May 19:

DAILY RADIO ROUNDUP

A farmer who runs his own spread is called a "sole proprietor" in official Government lingo. In 1963 there were 3.2 million of these sole farm proprietors filing income tax returns with the Federal Government. Only 8 percent of them had adjusted gross incomes of $10,000 or more for the year of 1963. And it is shocking to learn that only 6 percent of that higher income group reported net incomes, after expenses, of $10,000 or more.

Let's see how many farmers we're talking about here. Eight percent of 3.2 million sole proprietor farmers is 256,000. That's the number of farmers who had adjusted gross incomes in the $10,000-and-above category. But only 6 percent of them reported a net income of $10,000 or more. That's only 15,360 farmers.

We're informed by the Budget Bureau that these high-production farmers are among the best in the Nation. It says they are all making money. No need to worry about them. But apparently the Budget Bureau people haven't been doing their homework on the Internal Revenue reports. When only one-half of 1 percent, or 1 out of 200 farmers, made a net income of $10,000 or better, despite their huge investments in land, management, and equipment, something is very, very wrong.

Well, Congress is going to take a look at food marketing to see if there is too much margin between the farm and the consumer's dinner table. Maybe there's something there. Maybe not. Last year farmers received 37 cents out of each dollar consumers spent for food at retail. Believe it or not, they used to receive 51 cents. That was back in 1947.

This marketing study is an important thing. It is being made by the National Commission on Food Marketing, and it will be a whopper of a study. Congress created the Commission last year at President Johnson's urging. It is made up of 15 people—5 Senators, 5 Representatives, and 5 people from the public.

A real hard-rock study of food marketing has been needed for some time for many reasons. One of them is to find out just how many food marketing corporations are getting into farming itself.

We doubt very much, however, that it will be able to raise the 37-cent share that the farmer gets from the consumer's food dollar. There are many reasons why the farmer's share is down. We all know that. But it doesn't take a college economist to discover the main reason which is simply that farm prices are down—way down from what they were back in 1947.

The radish farmer gets less per radish. The wheat farmer gets less per bushel. The dairy farmer gets less per gallon. The livestock farmer gets less per pound.

Meanwhile, the consumer pays more for the finished food product than he did back in 1947. So naturally the farmer's share is down. It couldn't be otherwise.

A study commission has no authority to force the food industry to trim its charges, and there is no real evidence that those charges are out of line. But even if those charges could be trimmed a few million here and there, would it be of any benefit to farmers? We doubt it. What farmers need are better prices for what they produce and sell. This food marketing study is a good thing, we're sure, but what concerns the farmer most are the prices he receives at the tailgate of his truck.

Mr. Chairman, I am sure that the Department of Agriculture will get its money from this bill. But will the Department do its job? It has always been my understanding that this Department was created for the benefit of farmers in the overall economy. Yet last week the Secretary of Agriculture revealed that the benefits from $2 of every $3 spent by the Department go to groups other than farmers. It was earlier revealed by the Secretary that at least one function of the Department was being conducted in a way so as to promote other Government programs, not to benefit the farmer.

Every year Congress dutifully appropriates money to the Department, presumably to benefit our farmers. For every dollar spent in 1948 for the stabilization of farm prices and income, $25 are spent today. In 1933 there was one USDA employee per 203 farmers; today there is 1 per 32 farmers. What are all these people doing? It is obvious that they are not helping the farmers. We do know that some of them are engaged in formulating import policies which allowed $31.1 billion worth of supplementary agricultural products to be imported at the same time that we were spending $23.4 billion to stabilize domestic prices for these same competitive crops. We also know that in 1963 some USDA employees were organizing Federal irrigation projects which produced $189 million worth of cotton while the CCC was realizing a loss of $171 million on the cotton program. Also in 1963 the soil bank program cost the Government $311 million while forage crops irrigated by Federal projects were valued at $266 million. It obviously requires many great minds to formulate the intricate CCC grain policies in which one arm sells Government grain stocks at low prices to raise money for the Bureau of the Budget while the other arm is forced by law to buy wheat on the resulting low grain market. The plan to cut appropriations from one of the few successful Government programs—the soil conservation program—also requires astute planning. Perhaps the money is being used to hire part-time employees to fill in while departmental executives are scattering around the country to explain to farmers why they have now been declared geographically disadvantaged; enough scattering to increase the average annual travel expenses almost $14 million since 1960 over the 1953–60 average. I must say it takes a certain degree of administrative genius to be able to remove agriculture from the Department of Agriculture.

I did not rise to protest appropriations for the Department of Agriculture. On the contrary, I wholeheartedly support any assistance to America's farmers. Certainly the concept of subsidies is not an exclusive privilege of agriculture. Extensive subsidy programs aid business, labor, homeowners and tenants, veterans, foreign countries, and others. What I do protest is the misuse of these funds. The benefits simply are not reaching the intended recipients. I hope that my colleagues on both sides of the aisle will consider this today and later, when the farm bill is presented.

There are those who would allow rural America to become dominated by larger and larger farms. The President's Budget Director stated early this year, that 2½ million farmers of America would have to leave their farms and seek their livelihood in other occupations. The President's budget message to the Congress this year stated: "Farming alone cannot be expected to provide a decent living in the future for more than 1 million farm families, even with Government assistance." These are ominous statements which show little regard for the welfare of some 30 percent of the U.S. population living in rural communities of up to 2,500 and on the farms surrounding them.

Let me at this point quote a statement which reads like a prediction of things to come if we stop to consider the full im-

pact of present policies and trends in this great Nation of ours:

Economic causes are generally regarded as decisive. There was a trend prior to the fall of the Empire toward the development of large estates, with the progressive concentration of wealth in the hands of the few. Small-scale farmers, unable to compete with the large plantations, began migrating toward the cities, causing excessive urbanization and consequent unemployment. Periodic land distribution failed to arrest this trend and ultimately there developed a great expanse of abandoned agricultural lands. Increased relief for the poor in the cities necessitated heavier taxation, which in turn drove greater and greater numbers into the ranks of those receiving relief.

Heavy taxation became almost prohibitive to industry. There were, moreover, inequalities in assessment and collection. The wealthy people often avoided paying their share, the poor were unable to pay, so the burden inevitably fell with proportionately greater weight on the middle class. Consequently, there was a progressive curtailment of the latter class and the development of an ever-widening gap between the rich and the poor.

Another reflection of the economic strains in the Empire was the depreciation of the currency. And with the decline in its purchasing power, commerce dwindled at an alarming rate. Merchants were further discouraged when the Government impressed shipowners into grain trade where profits were small.

Much as it may sound like a description of the United States of America, 1984, the preceding statement is actually a quote from the Encyclopedia Britannica analyzing the decline and fall of the Roman Empire in the fourth and fifth centuries A.D.

Mr. MICHEL. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. FINDLEY].

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, I take this time in order to make inquiry about the status of some documents involved in the feed grains program since it was inaugurated back in 1961. This program has provided that incentive payments to farmers be not in cash, but payment in kind, that is directly from Government stocks of grains. But in the operation of the program instead of the farmers actually receiving Government stocks and thus truly getting a payment in kind, the Department of Agriculture has seen fit to go through a different procedure under which the Secretary of Agriculture assists the individual farmer in marketing these payment in kind certificates.

So that as a matter of fact, immediately upon the farmer receiving the cash the Secretary of Agriculture takes the farmer's payment-in-kind certificate with the understanding that the farmer sell an equivalent amount of corn in order to get the money back into the Treasury to replace money earlier paid to the farmer.

Well, the truth is that this has been going on only partially. To call the program a payment-in-kind program is a partial fiction because we have had a steady accumulation of these payment in kind certificates on the desk of the Secretary of Agriculture. As of April 30 the combined feed grain value of certificates issued for the crop years 1962, 1963 and 1964 that have never been retired is $1,671,125,685.

Today if the Secretary of Agriculture would sell all the Government holdings in feed grains in order to retire these feed grain certificates, he would still have a sizable quantity of certificates left over. In other words, we have more "in kind" certificates than we have "in kind."

I inquire of the Committee if any thought was given in your proceedings to appropriating enough cash to take these unprocessed certificates out of circulation so that the Secretary of Agriculture would no longer have the opportunity to sell certificates in massive quantities at a low price.

Government feed grain stocks would be sold normally by the Secretary of Agriculture at not less than 105 percent of support prices plus carrying charges. To redeem these certificates, however, the Secretary can sell at market price regardless of its level. So he theoretically can market all of the corn he now holds at 100 percent of support level—not 105 percent—and thus depress the market price of the corn.

So I raise the question to the members of the committee if any consideration has been given to this problem. The fact that these certificates have not been fully processed and retired each year and this gigantic warehouse full of payment-in-kind certificates keeps building up year after year in the office of the Secretary of Agriculture should be a matter of concern.

I wonder if any member of the committee can shed some light on this?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman.

Mr. WHITTEN. May I say to the gentleman from Illinois, that the committee gave no attention to providing funds to meet the problem which the gentleman has described. I have no reason to differ with the gentleman's statement as to the facts because I had been unaware of them and have not had the problem called to my attention. Taking the facts to be as presented by the gentleman, were that many certificates floating around or remaining in the hands of the Department, I can see a problem really could be created. I was one of those who went along at the outset with a feeling of some misgivings, and may I say there are not too many farm laws about which I do not differ in certain respects. But we were trying to get participation in programs and trying to keep the nonparticipant from reaping a bonanza and there was some need to put feed grains and other commodities on the market so as to keep the thing in balance.

I can only say to the gentleman that in view of his statement I would be glad to join with my colleagues and have an investigation of this matter. It really involves ascertaining the facts at some early date, so as to see what was the effect, and what remedy may be provided. I have done that consistently in the years I have been chairman, of course with the cooperation of the minority on the committee.

The circumstances described, I can see, could lead to serious results if the power were improperly used.

Mr. FINDLEY. I might say to the gentleman that the expectation is that by the end of the new crop year we will have an accumulation of unretired certificates valued at about $2.5 billion. It looks like the problem is getting worse instead of better.

I thank the gentleman for giving this his attention.

Mr. WHITTEN. If I may, I wish to point out one other thing. In our report we called on the Department, when making payment in kind, to make it mean what it says.

Mr. FINDLEY. As a matter of fact, it is a misnomer. It cannot accurately and properly be called a payment-in-kind program. It is only partially so. It is getting out of hand.

Mr. WHITTEN. I say, we call on them to restore that program to a payment-in-kind basis.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the gentleman from Minnesota.

Mr. NELSEN. The gentleman mentioned the fact that the release price would be 105 percent of support, for example on corn. Is it not true that with respect to offgrade commodities—I do not know how that determination is made—those can be sold at much lower prices? Our office did some checking on the Commodity Credit Corporation offices throughout the United States. We found that some grain sold for as low as 19 percent of parity, and other grain at 40 or 50 or 60 percent of parity. Much of this is very good feed, in spite of the fact that it may be offgrade. The integrated operator can buy this, in competition with the farmers on fixed cost. It is a terrible problem for the small family farmer. I am sure the gentleman has reviewed that problem.

(Mr. BERRY (at the request of Mr. MICHEL) was granted permission to extend his remarks at this point in the RECORD.)

Mr. BERRY. Mr. Chairman, there are several aspects of this year's agricultural appropriations bill which deserve the attention of all concerned about the future of the American farmer.

At the outset, let me say that the reduction of over $1 billion in this year's budget is certainly a step in the right direction. But let us never overlook the most important fact which is behind every effort on behalf of the American farmer and rancher, namely the imperative need to preserve the family farm.

I must admit that the President's budget message statement that "in the future farming can be expected to provide a decent living for only about 1 million farm families" gave little reason for optimism about the administration's plan for our American farmers. It is indeed frightening to think what would happen to the economy of my State, South Dakota, or the national economy for that matter, if more than 2.5 million

farmers were forced off the land and sent to the city to join the ranks of the unemployed.

It is therefore with great assurance that I read in the committee's report that "the elimination of small family farms as part of our national existence would seriously increase our social and welfare problems in every urban area in the United States" and "it is apparent, therefore, that the only practical approach to the farm problem is to continue programs which will make it possible for the present 3.5 million farmers to earn a living on the farm."

At the same time, however, there are several other portions of the bill which need special consideration.

One of the most important of these areas is the appropriations for the Soil Conservation Service and the agricultural conservation program. The committee is to be commended for its wise action in restoring funds for these programs. I sincerely hope that this action will be sustained.

The decisions of the committee to restore these funds and refuse to follow the dictates of the State Department and the Bureau of the Budget seems to indicate that Congress at last may be realizing that the agricultural appropriations bill should be for the good of the farmer and the good of this country, instead of for the good of the Budget Bureau and the freetraders who would leave the American producer with little or no protection for his livelihood.

As I stated in testimony before the committee on this subject, any reduction of funds from the current level will not only set back the efforts of conservation practices by decades, but will threaten an already lagging rural economy.

According to facts released by the South Dakota State Association of Soil and Water Conservation Districts, from January 1, 1960 through December 31, 1964, South Dakota's farmers and ranchers paid land improvement contractors over $13.3 million for moving 66 million cubic yards of earth to install engineering-type conservation practices. During this same period, farmers and ranchers cooperating with their soil and water conservation districts to develop a conservation program on their land, planted 27,500 acres of trees and purchased $12 million worth of seeds and materials to carry out their programs. All figures combined show that the impact upon South Dakota's economy is nearly $35 million in 5 years—a capital investment in South Dakota's two basic natural resources—soil and water.

But South Dakota's land and water resources are more than year to year economics. They are the space and setting for future growth which meets the goal of using each acre to its fullest capabilities and treating each acre according to its needs.

The result of reducing funds for the conservation program would be the collapse of the entire movement. It is estimated that if these funds are not kept at the current spending level and if the new revolving fund program is established, there will be a 40- to 50-percent decrease in participation.

The reasons for this are relatively simple. With rural income lagging, and with the parity price at the lowest level in 31 years, the farmer cannot meet the required 50-percent share of the cost of conservation programs and will simply not apply for assistance. Thus, a reduction of funds and the establishment of the new revolving fund technique would penalize the smaller farmers who can least afford the assistance, but who are most in need of the aid.

Another significant reason why the funds must be restored to the current level is the fact that the work of the soil and water conservation movement is far from completed. A recent survey indicates that districts are short 1,518 man-years of SCS technical assistance needed to meet the existing backlog of applications for such help.

But the aspect of a cut in funds that is most frightening is the fact that the reduction would have a snowballing effect. In other words, abandonment of the Federal Government's traditional policy of providing technical assistance would be taken as a cue for others. The action no doubt would be followed by decreased State and local appropriations and contributions to this work, which now amounts to approximately $44 million a year. To slow the program down at this time is unthinkable.

The effect of not sustaining the committee's action or not continuing the present program would be to charge the American farmer for technical assistance which is now being provided by the Federal Government to the people of many foreign countries. Evidently, the administration is very willing to spend billions of dollars abroad to encourage production and conservation so foreign agricultural goods can be imported back to the United States and drive down domestic prices, but at the same time it is unwilling to maintain the present level of assistance to the American farmer.

It seems apparent that those who propose to cut funds for conservation practices fail to realize that the farmer is an underprivileged group in the Great Society, and any reduction is another serious threat to the backbone of our entire national economy—the prosperity and progress of our rural areas, in particular the well being of our farmers who are so dependent upon effective conservation practices and assistance.

The entire future of the soil and water conservation program is at stake, and soil conservation district leaders and their followers are extremely alarmed at the threats a reduction poses to this movement. The future of this program is at stake right now before this body, and it is for this reason that I urge and strongly recommend that the appropriations for both the Soil and Water Conservation Service and the agricultural conservation program be kept at the 1965 fiscal year level.

I should also like to express my concern over the appropriations which have been earmarked for some of the agricultural research projects abroad. More than $500,000 is directed for Nasser's Egypt, the very dictator who recently told our Government to "go drink sea water." Another quarter-million is slated for research projects in Communist Yugoslavia, and among the 70 contracts that have been concluded with Communist Poland, 1 for research on the physiology of the Colorado beetle. It is extremely unfair to the American taxpayer and the American farmer to be more concerned with beetle research behind the Iron Curtain than with the agricultural problems that plague us here at home. It is unfair to the farmer to pump a half-billion dollars into a tyrant's agricultural program in the Middle East and then claim that, in the interests of economy, we should attempt to cut funds for conservation practices in the United States.

The third area of concern over the present bill is with regard to the Commodity Credit Corporation. The CCC will receive over two-thirds of this year's appropriation, or more than $4 billion. There have been many reports recently and much concern registered over the dumping of grains upon the market by the CCC to lower prices. It is a sad commentary upon our farm program when the Secretary of Agriculture openly admits that the feed grain stocks held by the CCC were dumped on the market last year to hold prices down. I have sponsored legislation which would prohibit the CCC from selling grain at less than 125 percent of the amount they have invested to halt this flagrant violation of the farmer's right to receive decent prices for his crops. I sincerely hope this matter will be given just and immediate attention.

Mr. WHITTEN. Mr. Chairman, I yield to the gentleman from Louisiana.

(Mr. WAGGONNER asked and was given permission to revise and extend his remarks.)

Mr. WAGGONNER. Mr. Chairman, I am pleased to support this appropriation bill, H.R. 8370, which we are considering today. I want to thank the gentleman from Mississippi [Mr. WHITTEN] and the committee for the manner of presenting this measure. I am pleased that manpower considerations have restricted hiring, especially here in Washington. The farmer is caught in a cost-price squeeze, and his investment is some five times what it was in 1945. Smaller farms must be preserved, but we must recognize the value of the commercial farmer. As much as I find it desirable to get the Government out of the farming business, I see no alternative, except to continue most of our farm programs. The export market cannot be forgotten. The extension service, the Soil Conservation Service, and the ASCS are indispensable. Seldom do I fear we do too little, but I am concerned that this recommended reduction is, perhaps, excessive as compared to other agency appropriations. Last year we appropriated $1,134,511,200 more for the Department of Agriculture than we are appropriating this year. Yes, I do disagree with certain acts of the Department of Agriculture and some of their programs, but in spite of this I support this bill and hope all Members will do the same.

Mr. MICHEL. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, first I wish to commend the gentleman from Minnesota [Mr. LANGEN] for the excellent statement he made a few moments ago. I want to join with him in saying that despite the billions of dollars which have been pumped out by Congress, supposedly to stabilize the economy of agriculture, the result has been to stabilize at around 75 percent of parity, and the American farmer will always be in trouble at 75 percent of parity.

What I really arose to do was to ask a few questions concerning the some 40 pages of research projects in foreign countries which are to be found listed in fine print in the hearings.

The gentleman made some reference to the amount of money being spent upon research by the Department of Agriculture. How much was that amount?

Mr. MICHEL. Specifically the amount of foreign currency research?

Mr. GROSS. I do not know whether it is foreign currency. This I should like to ascertain.

Mr. MICHEL. If it is the item of foreign currency for research, that is a $2 million item.

Mr. GROSS. I am talking about the 40 pages of research projects active under Public Law 480 agreements. What are those?

Mr. MICHEL. As I understand it, under each of our Public Law 480 agreements, there is a provision that 2 percent of the amount can be convertible currency upon our demand, for uses of this kind. That is the way most of these research projects came about, through the convertibility which the Department has by way of Public Law 480 agreements.

Mr. GROSS. I cannot help wondering why I find here thousands upon thousands of dollars for research projects in Great Britain.

What in the world are we doing spending that kind of money on so-called agricultural research in the British Isles?

Mr. MICHEL. Well, the explanation we get as laymen is that in some areas of the country research can be carried on only in particular climate zones or under certain environmental conditions. I will grant you that the publishing of some of these particular titles of research projects is very embarrassing to the Congress and more so to the individual members of this committee but it is asked for and it is disclosed for the benefit of the public and we have to do the best we can to live with it.

Mr. GROSS. In Turkey we are spending $29,361 for the development of an odor-measuring device or instrument.

Mr. MICHEL. Of course, the gentleman will remember some time ago that the bean producers in the State of Michigan wanted some research done to see what we could do about taking the gas out of beans so that they would be more edible. I think it was probably a very legitimate request. This is a request which closely parallels that kind of thing.

Mr. GROSS. If they are successful in developing an accurate odor-measuring device in Turkey, they might make it available to the other body so they will not have to buy fragrant air bombs by the case.

In Switzerland there is a study of the chemistry and structural nature of the bonds formed between formaldehyde and cellulose and formaldehyde-treated cottons to provide basic information needed to improve the utility of cotton fabrics. That calls for $64,902. Is not Switzerland, whose finances are in far better shape than those of this country able to carry on its own research? Why is the U.S. Government spending our taxpayers' money on this sort of thing?

Mr. MICHEL. Of course, the gentleman appreciates, I am sure, that this is not for the sole benefit of Switzerland or for the countries in which the research is engaged in, but it is really to inure to the benefit of the citizens of the United States by way of getting a better deal for the particular specialists in that field, to enable them to do it at a lesser cost than what they can do it for at home.

Mr. GROSS. You do not say anything about that in your hearings.

Mr. MICHEL. I think we could probably put a better explanation in for each one of these items, but I do not think we have that time.

Mr. GROSS. Is this to develop better fabrics so that they can import them into the United States and displace our textile workers and industry?

Mr. MICHEL. I think the real intent and purpose is to do just the opposite, namely, to utilize more of our domestic cotton for export to these countries than we do.

Mr. GROSS. Why do you suppose we would be spending $75,276 in Spain for a study of food consumption in relation to family income in the rural population in Spain? I cannot believe the Government of Spain does not already have this information.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MICHEL. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. WHITTEN. In connection with the first point, and so that there will be no misunderstanding in the RECORD, these are foreign currencies which, other than being used for these projects, would be kept in those countries. So we are using foreign currencies that we would not otherwise use. These funds are already generated.

With regard to Great Britain, we have a total of 10 projects and each of them develops additional basic information on cereal grains to improve their acceptance by industry. In addition to the two projects on disease of sheep, scrapie, there are other projects to find nontoxic oxidant products which may be used in a wide range of foodstuffs.

The point I wish to make is our research people agree with these areas we have worked on and agree that it is to our benefit, and we are using money that we do not think we would have any other use for at all.

Mr. GROSS. It is our money, is it not? Incidentally, I note there are listed some 24 projects in Britain.

Mr. WHITTEN. It was our money when through foreign aid we made the money available over there. It is our problem after we have done that through foreign aid to try to get something out of it. That is what these research projects are for.

Mr. GROSS. In Poland, we are carrying on research in the amount of $20,265 for——

Mr. WHITTEN. Those are foreign currencies. Let us keep the record straight in terms of dollars. These are not dollars, but in foreign currencies the amounts the gentleman refers to.

Mr. GROSS. It is still our money that is being spent for purposes that I say are unjustified.

Mr. WHITTEN. But it is under an agreement that we cannot bring those currencies back; we have to use them there.

Mr. GROSS. In Poland an investigation on blood groups in a new racial group of the "Zlotnicka pig." That is in the amount of $20,556.

Another in Poland: "Secretion of anterior pituitary hormones and ovulation in small ruminants"—whatever that is. That comes to $52,456.

I suppose that if this research is worth anything we get it back in canned hams from Poland, better and more salable hams, to destroy the market for American farmers.

In Japan, there is an "Investigation of crosses of Saccharomyces rouxii isolated from the soybean fermentations, shoyu and miso, and an evaluation of their fermentative abilities in these fermentation processes, as a basis for increasing the use of soybeans and wheat in fermented foods."

Here we may be contributing something over $44,000 to produce a new brand of liquor in Japan.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. MICHEL. I am not prompted by the gentleman's mention of liquor, but rather his mention of soybeans. The gentleman's district, I am sure, produces just as many soybeans as we do in our district. It is one of the best export crops in the country. Last year alone we sold to Japan $100 million worth of soybeans. Why? Because under this research we have been able to learn to grow the kind of soybeans which the Japanese prefer.

Mr. GROSS. The Japanese seem to be pretty well stocked with scientists, and I think they ought to spend their own money for research.

Mr. MICHEL. But they are not doing the research for us to grow better beans.

Mr. GROSS. They are not going to spend their money for research if we are willing to dish out our money for that purpose.

Mr. MICHEL. But it is to our benefit, is it not? Would the gentleman prefer that we exported $50 millions worth of soybeans next year or $100 million worth?

Mr. GROSS. Do we have to pay for the research in order to sell them beans, probably at bargain prices?

Mr. MICHEL. It was a very worthwhile expenditure. They are doing the research in a laboratory in my hometown. And I can enumerate another one, if the gentleman wishes.

Mr. GROSS. In Israel, there is this research item "Establishment and maintenance of seeded dryland range under semiarid conditions."

The gentleman does not want to tell me that they do not know how to seed dry land over in Israel; that we have to provide them the money to carry on a research project costing $101,000 so they will know how to plant seed on dry land? I give them credit for more intelligence than that.

Also in Israel: "Performance and scientific design of sprinklers used for irrigation."

Do you mean to tell me that the people of Israel do not know how to make a sprinkler that will serve their needs?

Mr. Chairman, this is loaded.

In Belgium we have this item: "Search for lytic ezymes of microbial origin with activity on cell walls of bacteria actinomycetes, molds, and yeasts to provide a basis for the development of new fermentation processes for the increased utilization of cereal grains."

I would not be surprised to learn that is research for the purpose of making beer in Belgium.

In Brazil we have: "Structural and physiological characteristics associated with adaptability of cattle in tropical and subtropical areas."

Also in Brazil: "Biology and breeding of honey bees, $27,531." I thought we had long since spent all the money we were going to spend on the love life of the bees. But here we are again.

In Chile there is a study on the effect of growth regulators in pine meristems. That calls for $31,406.

In Colombia, a biochemical study of vinegar flies. That is $31,000.

In Colombia again, basic studies of physiological changes in the transition from juvenile to mature stage in certain forest trees.

What is the change from juvenile to mature stage in certain forest trees? Some of the experts on forestry explain that one.

In Egypt, improving and evaluating the Fayoumi and Dandarawo fowls. It is costing us $131,000 to tell Nasser how to develop chickens in Egypt.

Also in Egypt, induced sterility of males of the Mediterranean fruit fly. That is a $84,790 research project.

In India, an investigation on milk and the meat potentialities of Indian goats. That is $100,000. Why, they had goats in India before we had goats in the United States. The Indians must have known a century or more ago the potentiality of goats for producing milk and whether they are good to eat. But we are over there spending $100,000.

Mr. Chairman, I give up and yield back the balance of my time—no, wait a minute.

Here is the rhinoceros beetle about which I inquired earlier this afternoon. Here, after all, we have a research project in India in the amount of $82,155 on the rhinoceros beetle. I am glad to know that so I can try to cut it out of the South Pacific Commission's appropriation.

Mr. Chairman, I yield back the balance of my time.

Mr. WHITTEN. Mr. Chairman, I yield myself 1 minute.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, our friend from Iowa [Mr. GROSS] has a wonderful time with these matters. But I would repeat for the RECORD again that these are foreign currencies which have been generated under the foreign aid program and this bill carries funds to restore capital impairment under foreign programs for sales under Public Law 480. These research projects are financed from foreign currencies and not American dollars. They use foreign currencies that otherwise we would have no use for. It has been decided that this research is to our advantage.

For instance, Mr. Chairman, with reference to the Mediterranean fruitfly, I believe we spent about $10 million trying to eradicate it from the State of Florida.

Then there was the situation with reference to the foot-and-mouth disease problem wherein we spent $150 million trying to clean it out of Mexico in order to keep it from coming over here.

I respectfully submit, Mr. Chairman, that these diseases and insects we do not want in this country should be studied in these other countries where they already have the problem and where we can use the local currency already owned by this country and which we cannot bring back home in any event.

So, Mr. Chairman, the gentleman from Iowa is barking up the wrong tree insofar as value received is concerned, in my judgment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. Yes, I yield to the gentleman from Iowa.

Mr. GROSS. I believe a little simple addition would show that there are 40 or 50 research projects in France. I have been under the impression that we no longer have counterpart funds in France.

Mr. WHITTEN. The gentleman is correct.

Mr. GROSS. If the gentleman from Mississippi will bear with me just for 1 second more——

Mr. WHITTEN. Could I answer that question first?

Mr. GROSS. Yes.

Mr. WHITTEN. We have provisions in these Public Law 480 agreements to convert excess foreign currency to currencies of other countries to perform this research. Under this arrangement they can take rupees, for instance, in India and purchase French francs so we can have the work done in France where they have the scientists. They can take these excess foreign currencies and purchase the currency of these other countries where they can get the job done and they know how to do it.

Mr. MICHEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to make a comment with respect to what the chairman just said. One can surely have a lot of fun about the question of virility or sterility in flies, but the way to really eradicate, for example, the Mediterranean fruit fly or, as a matter of fact, the screw-worm down in the Border States is by producing and reproducing sterile male flies or worms as the case may be. That is the way we are getting the job accomplished.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Iowa.

Mr. GROSS. But let me repeat my question to the gentleman from Mississippi and find out this: Are you saying to me that although we cannot convert the currencies of this country, we cannot get any dollars or currencies, that they can convert them for research projects which we will finance in France, many of them dealing with the improvement of milk and all this sort of thing? There were dairy cows in France before there was ever a dairy cow in the United States.

Does the gentleman mean to tell me they are getting rupees for the payment of these research contracts?

Mr. WHITTEN. I used rupees by way of illustration. Any research that is done in any country where we have no counterpart funds or excess local currency is financed by requiring certain excess currency countries to buy up the currency of the country in which we can do the research. But the currency of the country where it is done has been converted from the other country.

Mr. GROSS. I hope that is right. Why do we not get some rupees from France to pay for the troops we have stationed in France?

Mr. WHITTEN. I do the best I can with this bill and I think the gentleman does the best he can with his foreign aid bill. The point is that we do use these funds to the best possible advantage.

Mr. GROSS. But you do approve these research contracts, and I think we are spending good, hard American dollars for a lot of this stuff despite what the gentleman says.

Mr. WHITTEN. I wish the gentleman would take my word for it, because he is as wrong as he can be about it.

Mr. GROSS. All right. We will find out.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. NATCHER].

(Mr. NATCHER asked and was given permission to revise and extend his remarks.)

Mr. NATCHER. Mr. Chairman, the Subcommittee on Agriculture of the Appropriations Committee once again brings to the floor of the House for your

approval the annual appropriations bill for the Department of Agriculture.

We recommend the sum of $5,692,537,000 for fiscal year 1966. This is $1,134,511,200 less than the amount appropriated for fiscal year 1965, and $122,597,000 less than the budget estimates for fiscal year 1966. This bill provides the necessary funds for the operations of the Agriculture Department's activities.

More than half of the total amount appropriated in this bill applies directly to benefits for the consumer. As the direct result of the research and control programs provided for under this bill, the people of this country can buy food with confidence, knowing that it is among the safest, cleanest, and most wholesome food in the world.

This bill contains money both for agriculture and services for consumers. We are sharing our abundance with our children and our needy. Funds are provided for in this bill for our school lunch, milk, food stamp, and direct distribution of food to the needy programs.

Agriculture in this country has advanced more in the past 50 years than in all the prior years in our history. Today 1 farmworker in the United States supplies food and fiber for 28 people. Eight were supplied by one worker in 1920. As population increases our per capita food demands increase. All of the people in the world today know that American agriculture is one of the best examples of abundant production and proof of a successful democratic system of government.

Adequate provisions are made in this bill for an expanded tobacco research program. While much good tobacco research has been done, more remains to be done. One of the most urgent needs at this time is improvement in quality and we must have an expanded program of study of the chemical constituents of tobacco in all types. Because of the implications to the health of the consumer from the use of tobacco with insecticidal residues, there is a continuing and urgent need for safer and yet more effective methods of control of insect pests of tobacco. Tobacco is a $10 billion industry and is produced in 21 States. Some 700,000 farm families produce tobacco and this commodity pays into the Federal, State, and local communities the sum of $3.3 billion annually in taxes. The Commonwealth of Kentucky is the second largest producer of tobacco in our country. Tobacco is the fifth largest income-producing crop to American farmers. In January of last year, the Surgeon General's report on "Smoking and Health" was released and in testifying before congressional committees shortly after the report was released, Dr. Terry agreed that there should be more tobacco research. In Kentucky and in all of the other States producing tobacco, the people are very much concerned over reports which have a tendency to point the finger of suspicion toward tobacco and if tobacco is harmful to the health of our people, all of the States producing tobacco and the industry generally want to do something about it. For this reason, the expanded program for tobacco research is underway. It is imperative that this research include studies of the factors which may be detrimental to health and ascertain as soon as possible those quality factors and other characteristics which will preserve the desirable characteristics of tobacco and eliminate any factors which might be detrimental to health. In order to be successful with our expanded program of research for tobacco, we must have the cooperation of the Department of Agriculture, the Department of Health, Education, and Welfare, private industry, and our tobacco producers. We must find the answer to this problem as quickly as possible in order to prevent economic ruin for our producers, substantial losses of revenue to our Government, and eliminate any doubt as to injury which might result to the health of our people.

Our research program for tobacco includes funds for this program at a number of locations in our country and one of the locations is the National Tobacco Research Laboratory at the University of Kentucky in Lexington, Ky. We recommend a total of $1,530,843 for expenditures at this particular laboratory.

Mr. Chairman, the bill as submitted to our committee contains several reductions which are not justified at this time and certainly are not to the best interests of agriculture. In some instances insufficient funds were provided for certain services in the Department of Agriculture and one example is conservation operations under our Soil Conservation Service. Here the budget estimates provided for $104,103,000 and our committee recommends $105,373,000. The sum recommended includes an additional $770,000 to provide technical assistance to 25 new districts expected to be organized during the fiscal year 1966. We also recommend restoration of $500,000 which can be used to partially offset the personnel reductions necessitated by partial absorption of increases in salary costs and other operating expenses.

We further recommend the regular authorization of $250 million for the agricultural conservation program instead of the $150 million proposed. Our agricultural conservation program is of special value in enabling low-income farmers to carry on needed conservation work and in doing so to improve their farming operations and their income levels. We all know that poor land breeds poverty and poverty, of course, leads to neglected land. In the year 1964 our people benefited from $500 million worth of conservation work based upon a public investment through the agricultural conservation program of only half that amount. Our farmers matched the public's investment from their own resources.

We recommend the sum of $218,359,000 for our Soil Conservation Service. This is $4,391,000 more than the amount appropriated for fiscal year 1965.

Our Soil Conservation Service was established in 1935 and its major aim and purpose is to assist soil conservation districts, communities and other cooperators, watershed groups, and Federal and State agencies having related responsibilities in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural improvements and reduce damage by floods and sedimentation.

We recommend that $155 million be appropriated for our school lunch program. Since the passage of the National School Lunch Act in 1946 providing for cash and food assistance, the national school lunch program has grown from 4,545,000 children participating in fiscal year 1947 to more than 17 million in the current year. Total enrollment of children in all elementary and secondary schools for 1965 is estimated to be 48 million. Enrollment for 1964 was 46,935,000 children. Our school population is increasing by leaps and bounds and the demands made upon our school lunch program increase each year. No program in this bill is more important than the school lunch program.

In our bill today we recommend the establishment of a Rural Community Development Service as one of the new agencies in the Department of Agriculture. This agency includes the activities of the Office of Rural Areas Development which was established in 1961 to provide for general staff coordination of the rural areas development activities of the Department. The new agency, in addition, will undertake to facilitate the effective extension into rural areas of assistance programs of other Federal agencies which do not now effectively reach rural areas because of the administrative difficulties of communicating with the dispersed rural population. This agency will work with local organizations and leaders in assisting them to locate and use the facilities of private, State, and other Federal agencies in developing the economy of rural areas and particularly those where we have low income. We recommend $500,000 for fiscal year 1966 for the Rural Community Development Service.

We recommend that the amount proposed in the budget estimate for our rural electrification program of $350 million be approved. This includes a $65 million reserve authorization. The Rural Electrification Administration will go into the fiscal year 1966 with $287,600,000 worth of applications on file. We must keep in mind in considering our REA request that the consumer density on REA financed electric systems is 3.3 consumers to the mile and the gross revenues will average $460 per year per mile of line. As you know, Mr. Chairman, this is extremely low. Our rural electrification systems have built 1.5 million miles of line and this is over half of the distribution lines in the industry, but it serves only 8 percent of the consumers and the rural electrification systems gross only 5 percent of the revenue of the industry. Our rural electrification systems generally are known for good dependable service and for the American farmer no program in agriculture has proved more beneficial than this program.

I hope, Mr. Chairman, that every Member of the House has an opportunity to read the Ecuador story which begins in page 451 and extends to page 453 of part 4 of our hearings for fiscal year 1966. Here the International Develop-

ment Agency entered into a contract with the National Rural Electric Cooperative Association for technical assistance in developing cooperative rural electrification in Ecuador. A number of managers of co-ops in this country were sent to Ecuador to make the initial studies and surveys for the purpose of determining whether or not cooperative rural electrification was feasible. In my home State of Kentucky the co-ops were interested in Ecuador and, upon being informed that the program would be approved for Ecuador, offered to furnish a number of items which were in surplus for the particular co-op such as small transformers, surplus line material and other items which were obsolete for that particular co-op but still serviceable and fully adequate for the rural electrification program in Ecuador. In December of this year some 2,000 families will be served by the Santo Domingo co-op and here, Mr. Chairman, we have an expenditure of foreign aid funds which can be approved by the people of our country; not squandered funds but money invested in a project to serve people. Funds used in a country where poverty is rampant and producing results for the people.

In submitting the budget requests for fiscal year 1966 the Department of Agriculture recommended to our committee certain proposed new legislation which would, if introduced and enacted, place meat inspection on a self-financing basis; finance, through fees and charges, up to 50 percent of the technical assistance in the Soil Conservation Service; place poultry inspection on a self-financing basis; place tobacco graders and warehouse inspectors on a voluntary basis with fees to be charged for such services and proposing a direct loan account for REA. So far none of this proposed legislation has been introduced and, to be quite frank with you, Mr. Chairman, none of this legislation should be approved at this particular time.

For our Agricultural Research Service we recommend the sum of $187,513,000.

Our Extension Service is one of the great services in our Department of Agriculture and has many achievements to its credit. Here our county extension agents and our home demonstration agents carry the word to our farm people and, Mr. Chairman, these dedicated, well qualified people know what they are doing. For this Service, we recommend $86,335,000.

For our resource conservation and development projects we recommend $2,813,000. This is an increase of $1 million over the amount appropriated for fiscal year 1965.

We recommend that the sum of $48,433,000 be appropriated for our Farmers Home Administration.

For Agricultural Marketing Service we recommend $422,452,000.

Mr. Chairman, in considering the amounts carried in this bill we must keep in mind that the bill, as presented to our committee, was approximately $1 billion less than the amount appropriated for fiscal year 1965 and further, we must remember that the benefits to be received are not only to be received by the farmer but by all the people in this Country.

Our committee recommends this bill to the Members of the House.

Mr. PELLY. Mr. Chairman, again this year I must register my longtime and strong opposition to continuation of the present farm program with particular respect to price supports, acreage allotments, and marketing quotas on certain crops. Among these latter crops I especially object to the Government loaning money and supporting the price of tobacco. The total appropriation in this bill exceeds $5.6 billion and I have long taken the position that agriculture should be restored to a system of supply and demand. So, as in previous years, I shall vote against the Department of Agriculture appropriation.

Mr. DORN. Mr. Chairman, the gentleman from Mississippi [Mr. WHITTEN] is truly "Mr. Conservation". He has worked ceaselessly and tirelessly to conserve our water and soil. My distinguished and able colleague has been devoted and dedicated to the cause of agriculture and conservation which is so essential to the future well-being and security of all the American people, both rural and urban. It has been my honor to serve with the gentleman from Mississippi for more than 16 years and I know of his great accomplishments for the future of our country. Earlier this year widespread concern developed that the appropriation for soil and water conservation might be reduced. Mr. Chairman, I had no real fear that our soil conservation program would be adversely affected by any reduction in appropriation because I knew the gentleman from Mississippi and I am proud to say that I know him well.

Mr. Chairman, only a few years ago the piedmont Southland and the West was eroding with every wind that blew and every rain that fell. Our rivers were red with soil and our hillsides barren. Erosion was taking its toll. Our farmers were moving to the urban areas and our rural areas left to the hoot owl, briers and broomsage. Today due to the soil and water conservation program there is a different picture and a new day. Today our hillsides are covered with pine forests, grasslands, and our rivers are virtually clear. A cattle industry is thriving in the South where once the tenant farm and boll weevil cotton was the order of the day. The greatest single crop grown in the South today is pine trees, bringing millions to the farmer and jobs and opportunity to our people.

Mr. Chairman, in South Carolina we owe much to the gentleman from Mississippi [Mr. WHITTEN] and the Soil Conservation Service. Mr. WHITTEN, with all of his national responsibilities and duties, keeps his door open to the grassroots conservationist from every section of our country.

The Honorable John McAllister, president of the South Carolina Association of Soil Conservation District Supervisors, and a truly dedicated delegation of conservationists from South Carolina found Mr. WHITTEN in his office early in the morning a few days ago and discussed at length conservation, agriculture, and the consumer. My constituents and the Honorable Mr. McAllister returned to South Carolina confident and reassured by the courtesy and understanding of my colleague and friend [Mr. WHITTEN], the gentleman from Mississippi.

Mr. Chairman, as the Nation becomes more urbanized and our population grows, our city friends and the consumer, in general, will realize the foresight of those who made possible the conservation of our water and our soil. Our friends in the city depend on food and fiber for their livelihood and it is important that food and fiber is available to them at prices they can afford. Soil and water conservation has assured the future of America. Today we enjoy abundance and even over supply but the day will come when we will need this reserve of good soil and pure water. I hope that day will never come, but should this Nation and our allies be again plunged into world war, we have the reservoir and reserve of soil and water to meet any emergency. Our production of food and fiber can be virtually doubled overnight to meet emergencies at home and abroad.

Mr. Chairman, I believe this House will reject all crippling amendments to this appropriation and will pass this agricultural appropriation by an overwhelming majority.

Mr. ULLMAN. Mr. Chairman, I want to express my appreciation to the distinguished chairman of the Appropriations Subcommittee on Agriculture and to all the members of the committee for the fine job they have done on this appropriation bill. I am particularly grateful for their attention to the problems of soil and water conservation on the farmlands of America. The committee's action in restoring the agricultural conservation program to the level of $220 million for fiscal year 1966 is of great importance to the flood-damaged croplands and pasture of the Pacific Northwest. The provisions for financing the valuable work of the growing number of soil conservation districts in the United States is of the highest priority. I also congratulate the committee for the recognition given to the need for increased watershed improvement programs. These programs are of great value to Oregon, as to every part of the Nation.

Although the bill does not contain funds for greatly needed soil and moisture research facilities, I am pleased to hear the assurances of our colleague from Mississippi that the committee's action in no way indicates a lack of awareness of this problem. Because of the critical need for expanding the program of soil and moisture research in the nonirrigated grainlands of Oregon, I hope that this program can be implemented in the very near future and that the laboratory proposed for Pendleton, Oreg., can be constructed.

Mr. McDOWELL. Mr. Chairman, I strongly support H.R. 8370, the bill making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966.

It is with particular interest that I support this bill because it provides for

a Federal poultry research laboratory in Delaware, and also provides for other agricultural research facilities in other States. The Delaware facility would supplement the research of the poultry facilities in Athens, Ga., and State College, Miss., where the primary emphasis is on reducing losses from condemnation of broilers, and its research work will be of value to poultrymen all over this Nation.

Broiler raising is a major source of income in the Delaware-Maryland-Virginia area. The Delaware State Grange reported in the May 1965 issue of the Diamond State Granger that the poultry business is the biggest business in the Delmarva area, and has more people on its payroll than the five largest corporations on Delmarva combined, and adds:

> It is an expanding industry that now raises nearly a billion pounds of meat a year for sale in northeastern city markets and has the capability of adding a second billion pounds a year within the next 25 to 30 years.

Despite the rapid progress and efficiency of production, the profit margins in the poultry industry have been reduced to low levels due to a number of factors. Genetic studies indicate that as much as two-thirds of the variation in productive performance is due to nongenetic physiological and environmental factors, and research here can confidently be expected to pay major dividends. This new research laboratory will be devoted to basic and applied research and, as I have indicated, the scientific findings will be generally applicable throughout our country and will be useful to poultrymen everywhere.

I testified in support of this research facility in April 1963, and again in April of this year, before the Subcommittee on the Department of Agriculture and Related Agencies of the Committee on Appropriations.

I commend this proposal to this House with the hope that the distinguished Members of this body will favorably consider and support it.

Mr. FUQUA. Mr. Chairman, in support of this measure, I would like to commend the committee for the thorough job they have done. Long hours of hard work were necessary to present this measure to the House, and I feel they are to be congratulated for an outstanding job.

I would particularly like to express my appreciation that funds are included for small, but very important programs in my district. Funds are included to continue the research program on shade tobacco, which is of tremendous importance to the growers of this leaf in my district, and also to begin the tung tree research program at Monticello, Fla. Both were very much needed by their respective industries.

I appeared before the committee to urge funds for these programs, and I personally am most appreciative that they were included.

I would also like to express appreciation for the continuance of the fire ant and screw-worm eradication programs.

All of these contribute tremendously to the agricultural economy of my district, and I appreciate the committee including them in this measure.

Mr. HECHLER. Mr. Chairman, I rise to support the restoration of the full $100 million requested in the President's budget for the financing of the food stamp program.

This program has been highly successful in those pilot counties in West Virginia and the Nation in which it has been given a test. In the Fourth Congressional District of West Virginia, the food stamp program has produced good results in Logan and Wayne counties which are among those counties where it has been tested.

Unless the full $100 million requested in the President's budget is voted, the extension of the program in fiscal 1966 cannot be accomplished in four additional West Virginia counties. Looking forward to the fiscal year 1967, Mr. Chairman, I am hopeful that the program can continue at its programed level in order to extend its application in Lincoln County. Lincoln County, situated in southwestern West Virginia, borders Wayne and Logan Counties, where the food stamp pilot program is already in effect. I certainly hope that it may be possible to work toward extending this program to Lincoln County after next fiscal year.

The food stamp program has proven its worth in restoring dignity to those in need, and in protecting the free enterprise system through the use of private grocery stores and distribution points at which the stamps may be used. I certainly trust that this program will be continued and expanded.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

> Special fund: To provide for additional labor, subprofessional and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than $2,000,000 of the amount appropriated under this head for the previous fiscal year may be used by the Administrator of the Agricultural Research Service in departmental research programs in the current fiscal year, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research."

Mr. MATTHEWS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to join with many of my colleagues here today in congratulating the able gentleman from Mississippi and his colleagues on the subcommittee for bringing in this particular bill.

I would like to emphasize, Mr. Chairman, a fact I think that perhaps we all know, the population of the world increased 2 percent last year, but food production increased only 1 percent. I have been told that since the dawn of civilization until the present time the population of the world has amounted to its approximately present 3 billion people, but by the turn of the century the population of the world will probably be 6 billion people.

The American consumer and the people of the world have a stock in a prosperous American agriculture, and I am very proud of the positive accomplishments of agriculture in America, and particularly I am proud of the work of this great committee.

Mr. Chairman, I rise in support of this bill which includes total appropriations of approximately $5.7 billion for the Department of Agriculture and related agencies for the fiscal year 1966. It should be emphasized, as is so well illustrated in the committee report, that about 67 percent of the total estimated expenditures of the Department of Agriculture in 1965 were for national and international purposes, rather than for a direct subsidy program to the American farmer. Only 33 percent of the estimated expenditures in 1965 should really be charged to the agricultural producers of America. The housewife in our Republic has the best bargain for her food basket of any other housewife in the world. While the farmer's share of the consumer food dollar has declined from 52 cents to 37 cents, from the year 1945 to the present, the cost of food has gone down from 22.7 percent to 18 percent of consumer income, and this may be compared to 50 percent or more in much of the remainder of the world.

Since becoming a Member of Congress, I have constantly maintained that our agricultural programs are the best investments that we make for the future of America. In my home city of Gainesville, Fla., I am very proud of all of the various agricultural agencies that deal directly with the problems of the farmer. We have in a central office in our Federal Building at Gainesville, the headquarters for the State ASCS Committee, Soil Conservation Service, and the Farmers Home Administration.

I have always been pleased with the cooperation that each of these agencies extends to the other, and their unified approach to the problems of Florida agriculture has meant much to the progress of our State. Also in my home city of Gainesville, Fla., we have the headquarters for the Florida experiment stations on the campus of the University of Florida. Also on campus we have the College of Agriculture and the headquarters for the great extension service that through the county agents and 4–H Club work has revolutionized country living and agricultural production. I wish time would permit me to mention individually the scores of individuals who are outstanding in these various fields of agricultural development.

As we know, the Agricultural Stabilization and Conservation Service—ASCS—has the primary responsibility for the action programs of the Department of Agriculture. I believe that since this Service is concerned with programs affecting farmers directly, and creating, because of the very complexities of the services, some controversy, it has, I think, an even tougher job than a Congressman. All we have to do is pass the laws, while they have to administer them, explain them to the farmers and get their cooperation. It has always amazed me that this agency can do its work with so

little criticism and complaints. When they do have complains, I can say that they are handled in the most honest, conscientious, and courteous way possible.

In my State of Florida it has been an inspiration to work with the State ASCS committee. Members are: Chairman, Emery Williams; vice chairman, Stuart Simpson; and Martin Roberts. Their conscientious State executive director is Mr. O. P. McArthur. I am sure, Mr. Chairman, if you searched the country over you could not find a better organization.

One unique part of ASCS is the farmer committee system. The State committee is appointed by the Secretary of Agriculture. The farmer-elected county committees are responsible for local administration of national programs, such as acreage allotments and marketing quotas. Tobacco, peanuts, and cotton are commodities under these programs which are of great importance to my area. The ASCS committees also administer the agricultural conservation program—ACP—which has such an outstanding record of accomplishment through cost sharing with farmers. It is the responsibility, chiefly, of this program to conserve the natural resources on the farmlands of America. I am pleased with the fact that the committee has kept this program at the $250 million level, and has restored the cuts that were made by the Bureau of the Budget. If these cuts had not been restored, it is my opinion that millions of acres of soil in America would become irreparably damaged. At the present time we are losing 1 million acres of our soil each year to urbanization and to the interstate highway systems. The conservation of soil is one of the best investments that we can make for our country. I want to salute Mr. Tommy Ford, of Bryceville, Fla., the State chairman of our soil conservation officials, and all of his cohorts who have worked so diligently during the past few months to bring to us in Florida the need for the restoration of these soil conservation funds.

In the eighth district of Florida, 1,876 farmers have completed conservation practices under the 1963 agricultural conservation program receiving $457,000 of cost-sharing assistance. This program increases the rate of application of essential conservation work on the land. The combined results of many years of conservation activities under the ACP have benefited both urban and rural populations in terms of protected and increased water supplies, new recreational areas, assured soil resources, and new and improved wildlife habitat.

Since the beginning of the program in 1936, farmers have been contributing their time and money toward the achievement of the conservation goals for their farms and for the Nation. However, the economic situation of many farmers has not permitted the desired rate of progress, and much remains to be accomplished. The agricultural conservation program emphasizes the most needed types of conservation measures in each county, and aids the farmer in meeting his conservation goals.

A wide variety of conservation practices is performed under the agricultural conservation program. Among the principal practices performed in the eighth district under the 1963 ACP, are the following:

Conservation practices	Unit	Extent
Establishment of enduring vegetative cover for erosion control, watershed protection, land-use adjustment, or wildlife feed or habitat.	Acre	13,200
Improvement of enduring vegetative cover to extend its lifespan for erosion control, watershed protection, or land-use adjustment.	do	6,900
Establishment of annual cover crops for erosion control, water absorption, land-use adjustment, or wildlife feed or habitat.	Acres treated	38,200

Another major program administered by ASCS is the feed grain program which has been so effective in cutting our costly surpluses and increasing farm income. This program has meant more than $20 million to the farmers of my State. This is only a sample of the many programs administered by this agency and the work it has been doing for the farmers of Florida and the Nation.

The key to ASCS success, and I might add the key to all of the other successes of the agricultural programs in my district, has been the dedication of the employees, and particularly in the work of the ASCS, the dedication of the committeemen to serve the farmers of our country.

I think it is very important now that with the new directives that have been issued by the Department of Agriculture concerning the selection of committeemen, that nothing must take priority over the ability to do the job and to get the cooperation of all the farmers in working together to solve their problems. We must not have any quota system in the selection of these committees, and we must not select a man merely because of his race, color, or creed. I suggest to the Department of Agriculture that unless great care is taken, the ASCS programs which have been administered so effectively in the past, will face almost unsolvable problems unless representative committeemen are elected in the future as they have been in the past.

I should like to express appreciation to the Subcommittee on Appropriations, headed by our distinguished colleague, the gentleman from Mississippi [Mr. WHITTEN] for many items in the appropriations bill which are of specific interest to my constituents.

All of the food distribution programs, in the amount of hundreds of millions of dollars, mean better health to thousands of people in the Eighth District of Florida. These programs include commodities distributed to the needy through the direct distribution program, and through the food stamp plan, the school lunch program, and the school milk program.

The great REA cooperatives in our area have received adequate financing for the extension of electric facilities and rural telephones. There are long-range programs in this bill providing for the improvement of forestry resources, our agricultral and forestry research, plant and animal disease and pest control, soil and water resource protection, meat and poultry inspection, and for many other needed programs.

I noticed with particular appreciation the net increase for construction of pesticide research laboratories in the amount of $6,394,000. Included in this sum is an amount which provides for one of these laboratories in my home city of Gainesville, Fla. The items of $2,806,200, to maintain a barrier zone to prevent screw-worms from migrating from Mexico into Texas, New Mexico, Arizona, and adjacent States, is of particular interest to our cattlemen, because this same program has made it possible for us to conquer the screw-worm in Florida. We must constantly be on the alert for the threat of reinfestation.

I suggest to our colleagues that they read in detail the excellent report from the committee, which outlines in detail many interesting developments in agriculture, which I shall not take the time to enumerate. Again, I say this is an excellent bill, I intend to support it, and I believe it deserves the overwhelming support of the members of the Committee.

The Clerk read as follows:

FOOD STAMP PROGRAM

For necessary expenses of the food stamp program pursuant to the Food Stamp Act of 1964, $75,000,000.

AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 16, line 19, strike out "$75,000,000" and insert "$100,000,000".

Mr. WHITTEN. Mr. Chairman, this amendment has been concurred in by the committee.

You will note in the report that in the event an area institutes the food stamp program, the direct distribution of commodities will be eliminated. There is some question as to how many areas will go on the food stamp program. But if they do not, the money will not be expended. Should they wish to go into this program, the recipients pay two-thirds of the cost and it would be an improvement over other programs.

I trust the Committee will adopt the amendment.

Mr. FRASER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of this amendment. I want to extend my thanks to the subcommittee chairman and to the members of the committee for offering this amendment to restore the full amount of the appropriation for the food stamp plan. My own community, Minneapolis, is involved in the decision that the Committe of the Whole will make in deciding whether or not to accept this amendment. Last fall Minneapolis was approved by the Agriculture Department to start distributing food stamps, but a snarl in the State law prevented it until a special law was passed by the State

legislature last week. With the acceptance of this amendment many communities throughout the country will be enabled to participate in the food stamp plan which is proving to be so useful and so helpful to many low-income families and families that have to exist on welfare and relief grants.

(Mr. FRASER asked and was given permission to revise and extend his remarks.)

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I am glad to yield to the distinguished gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, I thank the chairman of the subcommittee for agreeing to restore to the food stamp item the full budget amount of $100 million. As I made clear in my statement in the CONGRESSIONAL RECORD on Monday, I think it was a grave mistake to cut this item by 25 percent when it is one of the most important programs in the entire bill as far as our needy families are concerned. Just remember, we have been spending $200 million a year in the direct distribution program, in giving away surplus food to the needy—just handing it out—such things as dried eggs, lard, peanut butter, beans, cheese, butter, cornmeal, powdered milk. The food stamp program gets far more good food into the stomachs of hungry people—better food—fresh food instead of dried and powdered foods—and the recipient pays most of the cost of his food, rather than getting a 100 percent handout. So the food stamp plan costs less and does far more.

Cutting the program back from $100 to $75 million would have meant either canceling the start of projects in 25 new areas scheduled to come into the program in the coming fiscal year, or else a cutback in the 110 projects in operation during this fiscal year. Now I can say very candidly, Mr. Chairman, that I would rather see the program abandoned—as successful as it is—rather than have it cut back so far that it was no longer economically worthwhile for poor families to participate. If the $75 million figure were to be retained in this bill, then any additional projects added in the coming year would have to be financed at the expense of the poor people already in the program—they would pay the same amount of money each month for their food stamps but get substantially less in the way of bonus coupons. This would be impractical and self-defeating. Therefore, the inevitable result of a $25 million cutback would be in the cancellation of 25 of the 28 projects I listed in Monday's RECORD. I am glad that the committee amendment removes that prospect.

Mr. DULSKI. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

[Mr. DULSKI addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. DULSKI asked and was given permission to revise and extend his remarks.)

Mr. KEE. Mr. Chairman, I move to strike out the last word and rise to enthusiastically support this amendment that has been accepted by the Committee on Appropriations. I might add, Mr. Chairman, that McDowell County in the Fifth District of West Virginia was the first county where a pilot plant was started in the United States. It has been completely successful.

I am most hopeful that the Members of the House will overwhelmingly adopt this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The amendment was agreed to.

The Clerk read as follows:

GENERAL ADMINISTRATION

Salaries and expenses

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, including expenses of the National Agricultural Advisory Commission; repairs and alterations; and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, $3,553,000: *Provided,* That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedure Act (5 U.S.C. 1001): *Provided further,* That not to exceed $2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

AMENDMENT OFFERRED BY MR. NATCHER

Mr. NATCHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NATCHER: On page 27, line 17, strike out "$3,553,000" and insert "$3,848,000".

Mr. NATCHER. Mr. Chairman, if this amendment is adopted the amount set forth on page 27, line 17 of the bill, will be increased from $3,553,000 to $3,848,000, the full amount requested for activities under general administration.

As the Members of the House know, title VI of the Civil Rights Act of 1964 provides that no person in the United States shall be excluded from participation in programs receiving Federal financial assistance on the ground of race, color, or national origin or be discriminated against in any way under such programs. That portion of title VI which applies to non-discrimination in federally assisted programs provides in part as follows:

SEC. 601. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

SEC. 602. Each Federal department and agency which is empowered to extend Federal financial assistance to any program or activity, by way of grant, loan, or contract other than a contract of insurance or guaranty, is authorized and directed to effectuate the provisions of section 601 with respect to such program or activity by issuing rules, regulations, or orders of general applicability which shall be consistent with achievement of the objectives of the statute authorizing the financial assistance in connection with which the action is taken. No such rule, regulation, or order shall become effective unless and until approved by the President.

Each department of our Government is required by the civil rights law to take steps to insure that this objective is fully carried out. At the time the Assistant Secretary for Administration, Joseph M. Robertson, appeared before our subcommittee in behalf of the amount requested for the operation of general administration, our subcommittee very carefully examined all of the requests made which compiled the overall figure of $3,848,000. It developed during the hearings that, at the present time, one assistant to the Secretary is working full time in carrying out title 6 of the Civil Rights Act for the Department of Agriculture and he is assisted by a Secretary. In addition to this Assistant to the Secretary, it developed that there are a number of other people in the Department of Agriculture who are working, in addition to their other duties, on assignments which are of assistance in enforcing this provision of title 6 of the Civil Rights Act. All down through the Department, certain personnel are actually performing the necessary field work and investigations that are required to see that the provisions of the act are fully complied with.

In presenting the request for the $295,000, the Assistant Secretary informed our subcommittee, in his general statement, that the policy direction and supervision of procedural requirements of title VI would be provided by the Secretary's Office and the increased fund request of $295,000 would be set aside and used for any additional costs which might be incurred over and above regular expenses to comply with title 6, and that some of the funds might be made available to various agencies in the Department to help them pay any additional out-of-pocket costs which they might have to incur under title VI. Further, the Assistant Secretary informed our subcommittee that it was not certain as to just how much additional work would be required in this area and that the $295,000, if not necessary, would return to the Treasury at the end of the year.

Mr. Chairman, acting upon the testimony presented to our committee and understanding that a number of agencies in the Department were carrying out their obligations under title VI and that this work seemed to be scattered throughout the Department, we agreed to fund the necessary amounts for the Assistant to the Secretary and the Secretary to the Assistant for the fiscal year 1966. It seemed to a majority of the members of our subcommittee that, under the present system of operations in the Department, the provisions of title 6 of the Civil Rights Act were being fully complied with and that the additional $295,000 was not necessary. The testimony concerning this $295,000 appears on page 285 of part 3 of the hearings and extends through 294.

Since reporting our bill to the full committee and approval by the full committee, we have been informed that the $295,000 will be necessary notwithstanding the fact that a number of agencies in the Department are complying with title VI insofar as supervision and investigations are concerned and the full-time assistant to the Secretary is working on

this assignment and will be necessary during fiscal year 1966 and that if not all of the $295,000, a portion of same will be necessary. The unused portion will revert to the Treasury.

The duty of complying with the provisions of title VI is a responsibility of the Department of Agriculture and if the other departments of our Government are to have adequate funds to carry out their responsibilities under this title, then certainly the same treatment should be extended to the Department of Agriculture.

After carefully considering the statements made concerning the need for the full amount, the majority of the members of our subcommittee believe that this amount should be restored to the bill and that the amendment before the House should be adopted.

Mr. FARNUM. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the distinguished gentleman from Michigan, a member of our Committee on Appropriations.

Mr. FARNUM. Mr. Chairman, I wish to thank the distinguished gentleman for yielding. I rise in support of the amendment and to commend the chairman of the subcommittee and the members of the subcommittee for their attention to governmental fundamentals.

They deserve commendation for reexamining the scope of the administrative functions of the Department of Agriculture and for sighting opportunities for long-range economies through the changes recommended here.

I would ask that Members of this House recognize the meritorious action of the committee in taking a hard second look, and out of that examination arriving at a recommendation that the Department be given funds providing for new patterns of administrative spending.

As members of the Appropriations Committee, we have been assured that prudence will govern use of the funds and that any moneys not actually needed to get the results sought will be conserved.

Mr. NATCHER. I want to thank the distinguished gentleman from Michigan, and I hope the amendment is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. NATCHER].

The amendment was agreed to.

Mr. NELSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the reading of the bill we rather hurriedly passed by the emergency conservation measures. I wonder if the chairman of the committee would yield for a question or two on this.

I note in this bill there is $4 million for that item. I wish to point out in our own State of Minnesota we suffered great disasters from flood and tornado, and we already have a $2 million request which has come in to the Department of Agriculture. I might further mention that the $10 million which was authorized for the west coast is not available for use in our State if it is needed on the west coast. I further understand in this fiscal year there may be some doubt as to whether or not there are adequate funds to meet these emergencies. I wonder if the chairman can give me some assurance that something can be done if necessary to take care of this great disaster?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. WHITTEN. I say to the gentleman that on another committee I have had called to my attention the terrible disasters which have hit that section of the country and the stories in the daily press have certainly recounted the tragedies which have occurred. They do have this $4 million, plus other moneys, available for this type of emergency problem—under certain procedures where requests are made by the Governors. My own recommendation would be to call on the Bureau of the Budget in this matter. I think it would be done whether we asked them to or not. I am sure they will make a thorough study of this area and will submit a supplemental request in order to see that we do the job right. We will do whatever we can by way of the Federal Government giving assistance in order to restore the land to what it was before the floods and storms. I assure the gentleman that this committee has always supported that kind of a program and always will.

Mr. NELSEN. In the flooded area in Minnesota I have driven through most of it. It has been a most devastating tragedy. The tornadoes followed shortly after the floods and we find places where farms are completely destroyed and machinery and cattle and houses and barns and everything are gone. It is a very tragic situation.

I thank the chairman of the committee for giving me this assurance, and I expect we can depend on you to give us all of the assistance possible.

The CHAIRMAN. The Clerk will read.

The CLERK. Page 31, line 15:

TITLE III—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 32, line 2, after *"Provided"*, insert the following: That no part of this appropriation shall be used during the fiscal year 1966 to finance the export of any agricultural commodity to either the United Arab Republic or Indonesia under the provisions of title I of Public Law 480, 83d Congress, as amended."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order on the amendment.

Mr. FINDLEY. Mr. Chairman, it is a coincidence that yesterday this body dealt with the foreign aid authorization bill and now—the very next day—we are dealing with an appropriation bill for foreign aid; in truth, not exactly the same foreign aid program as yesterday but very much the same in scope.

The Public Law 480 program currently is expending about $2.8 billion each year which approximates the amount of money invested in the far better known, much more publicized foreign aid program with which we dealt yesterday.

The reference to Public Law 480 is under title III of this bill. The effect of this amendment would be to disqualify during the next fiscal year the Governments of Indonesia and the United Arab Republic, better known as the Egyptian Government, from benefiting under just one title of the Public Law 480 program. The program consists of four titles.

Title I is the one which is most widely used. It is the so-called "funny money" sales provision under which we enter into agreements to transfer commodities to recipient governments in exchange for currencies whose use is very restricted. For the most part, these sales are donations.

The other three titles deal with donations to charitable organizations for distribution in foreign countries, donations on a government-to-government basis, to meet disaster or relief conditions and hard currency sales.

This amendment would not affect any of these last three titles, just the first. It would have the beneficial effect, in my opinion, of serving notice to Nasser and to Sukarno that we resent the insults which both heads of states have directed our way in recent months; that we are putting on record our desire to shut them off from this form of foreign aid, which for all practical purposes amounts to a donation just as surely as if we wrote out a check to either Sukarno or Nasser.

I might say in anticipation of an argument which may be presented that should the situation change within either of these countries during the fiscal year—should there be a beneficial change in leadership—the President would have ample authority under the foreign aid authorization which passed the House yesterday as well as under the other provisions of Public Law 480 to extend help with food commodities out of our surplus stocks and otherwise. So this would not unduly tie the President's hands. It would mainly have the very beneficial effect of serving notice upon these heads of state that we resent the insults to our property, the insults to our flag, and the insults to the name of America which they have sent our way in recent months.

Mr. WHITTEN. Mr. Chairman, I do not insist upon my point of order.

The CHAIRMAN. The gentleman from Mississippi withdraws his point of order.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, first, may I say to the Committee that our committee has been assured that there are no such sales contemplated by the Department to

either the United Arab Republic or Indonesia under the provisions of title I. We were given that assurance and, of course, neither I nor members of our committee are in favor of any such sales. Second, may I say that if this amendment were adopted the Department could still go ahead with gifts under title II and sales under title IV.

Mr. Chairman, I believe that the foreign policy of this country is complex enough that we do not need to try to redirect it, as much as we might like on occasion, through an amendment offered on the floor on this bill which just barely touches upon the problem. In other words, this amendment if adopted would not stop sales. It would stop sales under only one title of the bill. It would stop sales that the Department says they have no intention of carrying out anyway. If adopted, the amendment would amount to only a slight slap on the wrist, and I believe it should be deferred. Again I am opposed to sales or gifts under all titles.

Mr. Chairman, I trust that this amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The CLERK. Page 32, line 17:

COMMODITY CREDIT CORPORATION

Reimbursement for net realized losses

To partially reimburse the Commodity Credit Corporation for net realized losses sustained but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a–11, 713a–12), $2,300,000,000: *Provided,* That after June 30, 1964, the portion of borrowings from Treasury equal to the reimbursed realized losses recorded on the books of the Corporation after June 30 of the fiscal year in which such losses are realized, shall not bear interest and interest shall not be accrued or paid thereon.

AMENDMENT OFFERED BY MR. CASEY

Mr. CASEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASEY: On page 33, immediately before the period at the end of line 2, insert the following: ": *Provided further,* That no part of the funds appropriated by this Act shall be used for the payment of charges for storage of any agriculture commodity belonging to the Commodity Credit Corporation which charges have not been determined by competitive bidding."

Mr. WHITTEN. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. WHITTEN. Mr. Chairman, the amendment, quite patently, would require extra work on the part of the employees of the Department. They would have to make a finding as to what part had been made by competitive bidding and what part had not. Since the present law does not require competitive bidding, it would require different duties from that required under existing law. For that reason, I think the amendment is legislating in an appropriation bill.

The CHAIRMAN. Does the gentleman from Texas [Mr. CASEY] desire to be heard on the point of order?

Mr. CASEY. Mr. Chairman, I do not mind saying that I consulted with the Parliamentarian and I do not think my argument would be sustained anyway and there is no use in taking the time of the Committee in this regard.

The CHAIRMAN. Does the gentleman from Texas concede the point of order?

Mr. CASEY. No, sir; I do not concede the point of order.

Mr. Chairman, I think this is strictly a limitation on the use of these funds and I ask the Chairman to rule at this point that it is germane.

The CHAIRMAN (Mr. KEOGH). The gentleman from Texas offers an amendment directed to page 33, line 2, which reads as follows: "*Provided further,* That no part of the funds appropriated by this Act shall be used for the payment of charges for storage of any agricultural commodity belonging to the Commodity Credit Corporation which charges have not been determined by competitive bidding," to which amendment the gentleman from Mississippi makes the point of order that this imposes additional substantive duties on the Commodity Credit Corporation, and with that contention this occupant of the chair is in complete agreement and, therefore, sustains the point of order.

Mr. CASEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hate to think that we are going to put a little burden on CCC to call for competitive bidding. Here is a GAO report and if any of the members of the Committee have not read it you ought to read it. You and I and every taxpayer of this country own a piece of over 70 million balès of cotton and have a loan on additional bales totaling 13.5 million bales. You are eventually going to pay the storage on all of it.

The increase from last year was 45 percent, and I would say after this crop year it will increase probably the same amount or to about 19 million bales.

It is conservatively estimated because they do not take competitive bids on storage it is costing you and me an additional $25 million a year. Let no one tell you these warehousemen are being underpaid. If they are, why are they offering rebates to get the cotton in their warehouses?

This report states that just three warehouses paid in excess of $3 million to producers and ginners to induce them to put cotton in their warehouses.

The Commodity Credit Corporation knows this. They think it is all right. I do not think so.

They negotiate and agree on a price they are going to pay for storage, noncompetitive, and they move it out only at the request of the warehouse. When they do move it, it goes to competitive bidding. You have one warehouse, and I believe it is in the Chairman's own State, where a man got some on competitive bidding, and he is storing it for 10 cents a bale, while on a noncompetitive basis we are paying almost four times this amount.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from Missouri.

Mr. HALL. Does not the gentleman know that these rebates and the kickbacks, or the lack of charge for storing, can be made up by simply humidifying the cotton when it comes in? Cotton is sold by the bale, and by humidifying it up to well below legal limits during storage it easily gains over 35 percent in weight, and when it goes out it is sold at the humidified price, and the water is weighed with it.

Mr. CASEY. There are a lot of things I do not know about this agricultural business, and I am the first to admit it. But I do know on cotton storage when you do have some of it offered for competitive bidding they store it for less than what you are paying now. It is just good commonsense. It is my business and your business to see that we get the best possible deal.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from Iowa.

Mr. GROSS. We have long been promised that a farm bill will come before the House. I hope the gentleman will keep his amendment handy, and if ever there is a farm bill he will offer it where there will be no question of it being in order.

Mr. CASEY. I assure the gentleman I am going to continue to write an amendment that I hope is germane to some of these bills, and that will accomplish this purpose.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am certainly in accord with the desires of the gentleman from Texas. But I think the membership should have some understanding of what is involved in this storage problem.

In the first place, in times past they called on the Department and storage centers to offer commodity storage on a competitive basis. Here is what is involved in it. It is quite a scrap between the port warehouses and the inland warehouses. The price system is no good in areas where they produce commodities and where there is no warehouse.

I can show you where this country lost a million dollars when they tried to store commodities on the ground in some years. The producers who have the benefit of a farm program have to have a warehouse receipt showing it is properly stored. The Department is trying, when it is essential for the operation of the Department and the program, to have storage in the area of production. So it is a matter of competition between the inland warehouses where they need to have it available at certain times, where it is cheaper to keep it, and until they can tell and know just where the commodity is going to go. Is it to go to the Atlantic coast or to the Pacific coast? It is going to the gulf or to the Great Lakes? There are many reasons to keep it where it is as long as they do not have any need for the space. Then, when it

is moved out, you need to move it to a port in the orderly movement and where it is to be sold. I agree with the gentleman's desire that, where you send it to large centers and it has already been determined just where you are going to move it, consideration should be given to competitive bidding.

But if you open this up, you will be spending all sorts of money on freight rate charges, hauling it this way and that way, because some place happens to be open at the moment.

The gentleman's point is well taken. We ought to do all we can to pull the storage charges down. This thing has been investigated repeatedly. But simply to require competitive bidding could prove disastrous and tremendously expensive.

Mr. CASEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. CASEY. The gentleman knows I appreciate his observation and I also want him to appreciate that I did not expect them to take the lowest bid without taking into consideration the freight charges.

If it cannot be stored elsewhere cheaper, then leave it where it is, but give us a chance; will you?

Mr. WHITTEN. I am certainly trying to work out that problem myself. We have had this investigated three or four times.

Mr. CASEY. I would like to see it worked out, too.

Mr. WHITTEN. But a broad approach here, I think, would do harm.

Mr. CASEY. I have been trying to push you on this in a gentlemanly manner and I cannot get anywhere. You have heard the old story about getting the mule's attention and I hope it has gotten through.

Mr. WHITTEN. I have tried just as hard as I can to get this matter corrected, but up to now I have not succeeded.

Mr. CASEY. I know you have a lot on your hands and I appreciate your efforts.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

Limitation on administrative expenses

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided,* That not to exceed $36,650,000 shall be available for administrative expenses of the Corporation: *Provided further,* That $945,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further,* That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further,* That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 33, line 24, after the word "hereof", strike the period, insert a colon and the following: *"Provided further:* (a) That none of the funds herein appropriated may be used to formulate or carry out price support programs during the period ending June 30, 1966, under which a total amount of price support payments in excess of $30,000 would be made to any person as (1) incentive payments made under the provisions of the National Wool Act of 1954, as amended (7 U.S.C. 1781 et seq.); (2) feed grain diversion payments and feed grain price support payments made under the provisions of the Act of May 20, 1963 (77 Stat. 44 through 47); (3) domestic wheat marketing certificates, wheat export certificates, and wheat diversion payments issued and made pursuant to the provisions of the Act of April 11, 1964 (78 Stat. 178 through 183); (b) That for the purposes of this proviso the term 'person' shall mean an individual, partnership, firm, joint stock company, corporation, association, trust, estate or other legal entity, or a State, political subdivision of a State, or any agency thereof."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Mississippi reserves a point of order against the amendment.

The gentleman from Illinois is recognized for 5 minutes in support of his amendment.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, the reason for my introducing this amendment is to provide a limitation on some direct payments for the voluntary programs, feed grains, wheat, and wool. First of all, may I say I struck on this figure of $30,000 not by accident. As a matter of fact, I was thinking more in terms of $25,000 when one of my good friends, the gentleman from Kansas [Mr. DOLE] suggested that we give and take a little bit and settle for a salary that the Member of Congress gets—why should we show discrimination and let the Members of Congress get more than some poor farmer out in the hinterlands.

So that is the reason for my settling on the limitation of $30,000.

This amendment goes to those programs that are strictly voluntary—whether the farmer wants to get into the program or whether he does not want to get into the program and simply limits that payment which he can get.

Personally I have no objection to bigness or to an industry growing or to a farm becoming bigger and expanding. But it seems to me we ought not to be having the Federal Government encourage the corporate farms and whatnot from becoming even bigger giants. So I take this medium here for imposing somewhat of a reasonable limitation on these expenditures particularly at a time when we are talking about preserving the family-sized farm and the lowly downtrodden small farms in this country.

Well then why not do something about it here by imposing this kind of limitation. And rather than transgress further on your time, I will just say I think it is a very simple amendment. Although there are some technicalities involved here—it does not go to or address itself to those crops and those commodities which are under a strict controlled mechanism where by law we have said you can plant this and cannot plant that. Those commodities will not be affected, only those in which there is a voluntary approach.

I would submit that my amendment falls within the Holman rule as a retrenchment in an appropriation bill and I would ask your support of my amendment.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Kansas.

Mr. DOLE. Does the gentleman have information as to how many individual farmers this might affect in the different commodity areas?

Mr. MICHEL. I do not have that information, because in the course of the regular hearings, whenever we have asked the Department to submit the names, or a complete list of those making more than x amount of dollars, they always come back with the remark, "Oh, this is a monumental problem. It is inconceivable. We would have pages and pages of testimony and particular farms and fractions of farms. We could not supply it."

Mr. DOLE. Do I correctly understand that, if a person is a farmer and raises more than one commodity, his payments would be totaled up for all commodities and the payments could not exceed the figure of $30,000?

Mr. MICHEL. That is correct, under the voluntary commodity programs.

Mr. DOLE. Only the voluntary programs, or all programs?

Mr. MICHEL. The feed grains, the wheat, and the Wool Act are under voluntary programs. Frankly, all of the others are strictly control programs.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. HOSMER. Before the gentleman finishes, since there will probably be a point of order made, would the gentleman explain why anybody should be against such an amendment as he proposes, if he understands any sensible reason why?

Mr. MICHEL. Frankly, I do not. I am certain the point of order will not lie against my amendment.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Would the gentleman's amendment have the effect,

by indirection, of limiting the size of farms in the United States?

Mr. MICHEL. I do not know that it would. My point is that if a person can make a go of it by expanding in a voluntary way through the private free enterprise system, without the largess of the Government being bestowed on him, then of course that person can get as large as he wants. When we get to the point that the Government is encouraging bigger and bigger industry in farms, we should put a stop to it.

Mr. RHODES of Arizona. I am sure the gentleman realizes that there has never been an American procedure to penalize bigness for the sake of bigness itself. As long as there is paid a subsidy or a price control based on units of production, any amendment such as that the gentleman proposes must have the effect of limiting the size of farms. I doubt that we really wish to do that.

Mr. MICHEL. The gentleman can take his position. I have my own.

Mr. WHITTEN. Mr. Chairman, I should like to read, if I may, the first part of the amendment, as I make the point of order against it:

Provided, That none of the funds herein appropriated may be used to formulate or carry out price support programs during the period ending June 30, 1966, under which a total amount of price support payments in excess of $30,000 would be made to any person.

I respectfully submit that this not only would require some new duties but also would require the opening up of individual accounts. This makes it quite clearly subject to a point of order.

I might point out that subsection (b), where the definitions are given, would require a determination and also would call for special duties.

The CHAIRMAN. Does the Chair correctly understand that the gentleman from Mississippi has stated his point of order against the pending amendment?

Mr. WHITTEN. Yes.

Mr. MICHEL. Mr. Chairman, I should like to be heard on the point of order. I submit, Mr. Chairman, it falls strictly within the Holman rule on retrenching, as a limitation. The Department of Agriculture has all kinds of statisticians. We appropriate money for them. They have the wherewithal to make any kind of determination we see fit to legislate. In this sense, it is a retrenchment, in my opinion.

The CHAIRMAN (Mr. KEOGH). The gentleman from Illinois [Mr. MICHEL] offered an amendment addressed to page 33, line 24, which amendment was read and against which the gentleman from Mississippi [Mr. WHITTEN] raised the point of order that it is legislation on an appropriation bill.

The Chair has read the amendment offered by the gentleman from Illinois. The Chair is of the opinion that even though any limitation imposed upon an executive agency may add to the burdens of that executive agency, a limitation of an appropriation is in good order. The Chair, therefore, would say to the gentleman from Illinois that in the opinion of this occupant of the Chair, he has offered an amendment which is in form a limitation. But in addition thereto, he has added language which defines a person, and in the opinion of the Chair that language is legislation on an appropriation bill and is therefore out of order.

The Chair sustains the point of order.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Page 33, line 24, after the word "hereof", strike the period, insert a colon and the following: *"Provided further:* That none of the funds herein appropriated may be used to formulate or carry out a feed grain program during the period ending June 30, 1966, under which the total amount of payments made to feed grain producers under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended, and section 105(d) of the Agriculture Act of 1949, as amended, would be in excess of 20 per centum of the fair market value of any acreage diverted under section 16(h) of the Soil Conservation and Domestic Allotment Act, as amended."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman and members of the Committee, what I have done here in this amendment is, in effect, really to restate what is currently in the legislative act that will expire in this crop year. As a matter of fact, several years ago, when the feed grains bill was up for consideration, I offered an amendment which would have limited these direct payments to one-fifth of the land value. In other words, from the figures they were talking about in direct payments to farmers to keep their land idle, it would have paid every one of us to go out and mortgage ourselves to the hilt so that we could get a piece of land and get into this program and get it all paid off by the Government itself in 5 years' time. What I did at that time when the legislative bill was up for consideration was to offer an amendment to limit those payments to one-fifth of the land value. It is in the law now, but it is my understanding there have been some people who have been opposed to it and think maybe it is too much of a limitation. My point is let us reassure ourselves that this will stay in the law by putting this limitation on this appropriation bill.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. Yes. I yield to the chairman of the committee.

Mr. MAHON. Does my friend from Illinois mean he is extending the present law with respect to payments on feed grains?

Mr. MICHEL. Of course, one cannot legislate on an appropriation bill, as the chairman well knows.

Mr. MAHON. Is that not what we would really be doing here? And since the Committee on Agriculture is presently holding hearings on new legislation, would it not be wiser to permit that to proceed?

Mr. MICHEL. It would be wiser if the gentleman would see it my way and have no question about retaining this particular provision. But it is my understanding from the grapevine they have already thought this was a good section to delete from the legislative bill.

Mr. MAHON. I have no such understanding. I believe, though, we can trust the legislative committee to give this problem thorough consideration. Since it has been in the law, we might anticipate something along this line will come through, but we might withhold putting it in the agricultural appropriation bill at this time.

Mr. MICHEL. I see the gentleman is standing or sitting next to his good colleague from Texas, whom I am sure will treat what we say here very seriously.

I should hope that in those legislative deliberations they will see it my way and extend that provision of the law.

The CHAIRMAN. Does the gentleman from Mississippi [Mr. WHITTEN] press his point of order?

Mr. WHITTEN. I do.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. WHITTEN. The existing law expires this year, as I understand it. Whether it will be extended or not I do not know. The proponent of the amendment says this extends existing law. That statement of itself means that it is legislation. Quite definitely you cannot extend existing law without its being legislation. On that basis, I respectfully submit that it is legislation on an appropriation bill.

Mr. SMITH of Iowa. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I would like to point out that the basic legislation determines the limit according to the average yield of the land. This would determine the limit according to the sales value of the land, whether that be speculative or productive. And it would cost an additional $9 million to make these appraisals. This is $9 million worth of additional duties placed upon the Secretary of Agriculture and does represent legislation upon an appropriation bill.

The CHAIRMAN. Does the gentleman from Illinois [Mr. MICHEL] desire to address himself to the point of order?

Mr. MICHEL. Mr. Chairman, I want to say again that this is a strict limitation. It does not call for an increased expenditure of funds by one iota. It is strictly a retrenchment, a reduction of expenditures, and falls within the Holman rule.

The CHAIRMAN (Mr. KEOGH). The Chair is ready to rule.

The gentleman from Illinois [Mr. MICHEL] offered an amendment directed to page 33, line 24, which amendment was read by the Clerk, and to which the gentleman from Mississippi [Mr. WHITTEN] directed a point of order on the ground that it is legislation on an appropriation bill.

The Chair has carefully read the amendment offered by the gentleman from Illinois and even though a limitation, as was stated before, on an appro-

priation bill, may impose additional burdens on the executive branch of the Government; and even though it might be estimated that the cost of those additional burdens may run to any amount, the Chair is of the opinion that the amendment offered by the gentleman from Illinois is, in fact, a limitation on an appropriation bill and therefore overrules the point of order.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, some limitation certainly should be, and I am sure will be, considered by the Committee on Agriculture when they write any new legislation. While the Chair has held that the amendment is a limitation on an appropriation bill it will become effective only upon the passage of a new farm act and this matter will be dealt with at that time.

May I point out why, in my judgment, we should prevent tying this amendment to a bill which has not yet been reported to the House? As pointed out by the gentleman from Iowa [Mr. SMITH], this provision would say that no payment should be made, or no funds be used to make a payment in excess of 20 percent of the fair market value of any acreage diverted.

Certainly for us to tie onto this bill an amendment to forthcoming legislation, a provision that would require in every case the Department of Agriculture to go out and hire an appraiser to determine the value of every foot of land that was offered under the bill—a bill not yet even brought out by the legislative committee—I respectfully submit would be a bad way to legislate.

I would hope this amendment is defeated so that we would not require these expensive and arduous duties to be performed by the Department. Let us wait until the legislation is before us. If the committee does not recommend such provision—I assume they will—then the Congress can work its will on the legislation in such a way to keep down this terrific amount of extra expenses.

Mr. Chairman, I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and on a division (demanded by Mr. MICHEL) there were—ayes 41, noes 105.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The CLERK. Page 34, line 1:

Public Law 480

For expenses during fiscal year 1966, not otherwise recoverable during such year, and unrecovered prior years' costs, including interest thereon, under titles I, II, and IV of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701–1709, 1721–1724, 1731–1736) $1,658,000,000, to remain available until expended for (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said Act, and (3) long-term supply contacts pursuant to title IV of said Act.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I have been reading reports of the way American wheat is piling up at ports in India, apparently by the shiploads, and is becoming unusually expensive from the standpoint of demurrage paid because of the inability to unload.

Is the gentleman from Mississippi aware of this situation?

Mr. WHITTEN. May I say to the gentleman from Iowa that I do remember reading about this situation some time ago in the daily press. Beyond that I do not have any knowledge of the situation to which the gentleman refers.

Mr. GROSS. Does the gentleman know whether the Commodity Credit Corporation will bear the added expense of this overloading of Indian ports with wheat?

Mr. WHITTEN. One of the expenses we have in the Commodity Credit Corporation is that the law requires that 50 percent of all of these products be carried in American bottoms, which greatly increases the freight charges. This, of course, is designed to maintain our merchant fleet in favorable competition with foreign bottoms. I do not know whether that purpose is accomplished or not, but I did read of such charges in the press some time ago.

Mr. GROSS. Is this wheat sold for country currencies; in other words, rupees?

Mr. WHITTEN. I am sure if the country involved is India it is bound to be rupees.

I will say to the gentleman from Iowa that I shall pursue the matter and see what the facts are in an effort to prevent it from happening in the future.

Mr. GROSS. I thank the gentleman. It seems to me there must be a lack of proper administration on the part of the Department of Agriculture in permitting too many ships to load and depart for India.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield further, we have very many different phases of this. There is involved the question as to when the Commodity Credit Corporation turns loose title to it and when it gets into the enforcement aspects carried out by the foreign aid group. That is the real question which is involved. I have heard that in certain instances in some foreign countries they have piled grain right on the ground and have done such a poor job that half of the aid which we have given them has not reached them. However, I do not have personal knowledge of this.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

International Wheat Agreement

For expenses during fiscal year 1966 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641–1642), $27,544,000, to remain available until expended.

Bartered materials for supplemental stockpile

For expenses during fiscal year 1966 and unrecovered prior years' costs related to strategic and other materials acquired as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540. Eighty-fourth Congress (7 U.S.C. 1856), $30,000,000, to remain available until expended.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: On page 35, after line 2, insert the following new paragraph:

"Price support programs for tobacco

"No part of any funds appropriated by this Act for the Commodity Credit Corporation shall be used by such Corporation to carry out any price support program for tobacco."

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Chairman, the Surgeon General of the United States not long back received a report from an advisory committee constituted by the President of the United States to examine into the problem of smoking and health. A number of findings were made in connection with this report which are indeed remarkable. It was found in this report, for example, that for persons who smoked less than 10 cigarettes per day, the death rates are 40 percent higher than for nonsmokers; 10 to 19 cigarettes per day, the death rates are 70 percent higher than for nonsmokers; 20 to 39 cigarettes per day, the death rates are 90 percent higher than for nonsmokers, and more than 40 cigarettes per day, the death rates are 120 percent higher than for nonsmokers.

It was also found in this report in connection with other problems involving the circulatory system, the throat, and as regards all the human organs, the heart, the lungs, stomach, nonsmokers fared significantly better than did the smokers, and that the death rate for smokers was enormously higher than the death rate with nonsmokers.

I am asking my colleagues in the House to support my amendment, which says that the Federal Government has no business engaging in supporting prices, in conducting market-making programs, which would benefit a substance which is obviously as harmful to our people as is tobacco.

I can see no reason why the Federal Government should authorize or appropriate money for a program of this kind.

Heavy smokers have 30 times the death rate of nonsmokers. Indeed, it was found and quoted in this report that the earlier you start smoking the sooner you will die, and that one-third of America's 35-year-old men will not live to be 65 if they smoke more than a pack of cigarettes a day.

It was found for those who smoke in the 40 to 60 age bracket is the real danger.

The American Medical Association recently issued a pamphlet stressing the hazards of smoking.

What I am asking my colleagues to do today is to exercise wisdom and prudence, and withdraw support of the Federal Government for tobacco programs. If people wish to raise tobacco, if they wish to smoke, let it be done without Government support.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Nebraska.

Mr. CUNNINGHAM. The gentleman and I serve as members of the Committee on Interstate and Foreign Commerce, which is going into this problem of labeling cigarettes, the health angle, and so forth. The price of cigarettes has gone up from 25 cents to 30 cents a pack recently. I do not suppose anyone coming from the tobacco region knows why that is?

Does anyone in the producing area know, and if this has any relation to price supports?

Mr. DINGELL. I have no knowledge of the question. I am not a smoker, myself, and I expect to live longer for that reason. Perhaps some of my colleagues can answer the question.

Mr. CUNNINGHAM. Could anybody from a tobacco State give the reason for the increase in the price? Evidently no one does.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, tobacco is produced in 21 States and has been a major agricultural commodity throughout the years. It is the fifth largest income-producing crop to farmers. This commodity provides some $3.3 billion in taxes to our Federal, State, and local governments and is a $10 billion industry.

While much good tobacco research has been done, more remains to be done. Our tobacco industry has reached the point where more basic fundamental research needs to be done in production, quality, utilization, and distribution. One of the most urgent needs at this time is improvement in quality. Research in the chemistry and physiology of tobacco has increased since the establishment of the Tobacco Research Laboratory, and we must have an expanded program of study of chemical constituents of tobacco in all types. Because of the implications to the health of the consumer from the use of tobacco with insecticidal residues, there is a continuing and urgent need for safer and yet more effective methods of control of insect pests of tobacco.

An expanded program of research is necessary today for tobacco. It is imperative that the money appropriated be used to include studies of the factors which may be detrimental to health and ascertain as soon as possible those quality factors and other characteristics which will preserve the desirable characteristics of tobacco and eliminate any factors which might be detrimental to health. One of the most urgent needs in all types of tobacco is improvement in quality.

In order to be successful with our expanded program of research for tobacco, we must have the cooperation of the Department of Agriculture, the Department of Health, Education, and Welfare, and private industry. We must find the answer to this problem as quickly as possible in order to prevent economic ruin for our producers, substantial losses of revenue to our Government, and possible injury to the health of our people.

In testifying before the Tobacco Subcommittee of the House Committee on Agriculture on January 29, 1964, Dr. Luther L. Terry, Surgeon General of the Public Health Service of the Department of Health, Education, and Welfare, stated in part as follows:

The third research category is how to make smoking safer. There are a number of approaches which are feasible and definitely need increased support. We need to know much more about the substance in tobacco smoke which produce the health hazards. Until we know more in this area, we will be handicapped in our efforts to remove the hazard. It is difficult to design a method of removing something if you don't know what it is. For example, you know substances in tobacco smoke can account for only a small portion of its cancer-producing power. We have no real clues as to what it is in tobacco smoke that influences coronary artery disease; if indeed it does. This would seem to be a fertile field for research, such as that proposed in the resolution now before this committee. In this specific context, I am sure the committee will realize that I must speak with some caution and reservations, since I am not an agricultural or horticultural expert. I still feel, nevertheless, that I can wholeheartedly support additional research of the types which the resolution would authorize and direct.

Dr. Terry also stated:

It is well known that strains of tobacco differ quite widely in various constituents. It is well known the levels of some of these constituents influence the amount of hazard dose or potentiality hazard dose substance in tobacco smoke. I would give a great deal to know whether the types of tobacco used for pipes and cigars have anything to do with the lesser hazards associated with these modes of tobacco use. If tobacco behaves as other vegetables, I am sure that the amount of some of its constituents will vary with the conditions of the cultture, soil, climate, fertilizer, and other agricultural practices. This suggests, however, another area of research. Any vegetable material, when burned under the conditions prevailing when tobacco is smoked, will produce hazardous substances. Coal, oil, paper, even spinach, all produce benzopyrene, a potent cancer-producing substance when burned.

The efficiency of the combustion process makes a marked difference in the amount of this chemical in the smoke. As a matter of fact, most of the cancer-producing compounds identified in cigarette smoke are not present in the native tobacco leaf, but are formed during the burning process. These facts suggests that it will not be enough simply to develop better strains of tobacco and better methods of cultivation; we must also develop better methods of preventing the formation of these substances during the burning of tobacco, as well as of removing by filtration or other means the hazard dose substances that are formed. Both of these areas are promising after news for further development and have the potential of making smoking safer. It is quite well known that cigarettes can now be produced which yield quite low amounts of tars and nicotine, either by selection of the types of tobacco, by filters, or other means. It is relatively easy to measure this guantitatively. What isn't so well known or so easy to measure is the biological significance to man of the substances which do come through. Tobacco smoke is an exceedingly complex mixture of many different substances. It is not the amount of tars and nicotine produced that counts, it is the type and amount of hazard dose substances that get into a man that is important.

In summary, Mr. Chairman, the action which I have outlined has the common purpose of avoiding or minimizing the intake of hazard dose substances by the American people. Action on many fronts is urgently needed. The Public Health Service intends to do what it can. This important and complex problem also calls for appropriate action by other Federal agencies, by State and local agencies, by nongovernmental organizations, and by the tobacco industry.

Mr. Chairman the amendment of the gentleman from Michigan should be defeated.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and my colleagues, this amendment would destroy completely the oldest industry in America—the tobacco industry. The tobacco industry grew up with this Republic. The first export market for tobacco was at Jamestown. This is an effort to destroy the livelihood of hundreds of thousands of our citizens. It is an effort to destroy an $8 billion industry. During the life of this tobacco program it has only cost the Government $38 million. During that time the Federal Government and the State governments have collected in taxes on tobacco more than $52 billion.

When we relate the $52 billion to the $38 million, we can see how negligible our losses have been.

As my dear friend from Kentucky, BILL NATCHER, has pointed out, we did summon the Surgeon General before our committee at the very next meeting after he filed his report. He was the first witness we called. He stated emphatically that he was in favor of more far-reaching research in the field which we were then discussing. He was the first witness.

The last witness we called was the Director of the Cancer Research Institute at Bethesda. He joined the Surgeon General in recommending more research, which was tantamount to an admission on their part that the Surgeon General's report was not substantive evidence and would not justify the action which is contemplated by this amendment.

I wish to compliment the gentleman from Kentucky upon his splendid effort in this particular area. Additional money was provided for research in a laboratory in Kentucky, built and paid for by the taxpayers of that great State, which is one of the greatest tobacco-growing States in the Union.

The field is being explored. We are spending hundreds of millions of dollars on cancer research. Why should anyone come in at this late date in an effort to destroy this industry?

I mean that this amendment if adopted would put all those in the tobacco-growing areas into bankruptcy. To destroy the price support program and to destroy the control program would mean that tobacco growers would plant the face of the earth in tobacco.

Tobacco would be far more plentiful than it is now. Tobacco would be cheaper than it is now. Cigarettes would be cheaper and necessarily more readily available. The amendment would defeat the purpose for which it was offered.

I plead with you now to act with some degree of intelligence. Let us veto this proposition and defeat this amendment.

According to the figures presented by the author of the amendment, I am in the 120-percent category. I have smoked cigarettes for many long years, and I am certain that I smoke at least two packages of cigarettes a day. If his figures and calculations are correct, my time has long past. All of these statistics and percentages are based upon speculation and conjecture rather than upon scientific discoveries and findings. The Surgeon General's report has already caused irreparable damage to the tobacco industry. I do not know of anyone who has ever contended that smoking contributes to the cause of good health, but about 75 million people in this country smoke cigarettes. Cigarette smoking must contribute something to the comfort of the smoker. People continue to smoke and will continue to smoke notwithstanding either State or Federal laws which might prohibit or make unlawful the use of tobacco either in cigarettes, cigars, or other tobacco products. All of these people who smoke certainly cannot be fools.

Simply because some people do not smoke certainly does not justify the destruction of the tobacco industry. Our State of North Carolina produces more cigarette tobacco than any State in the Union, and we manufacture more cigarettes than any other State in the Union. If we are to destroy the tobacco industry, why not destroy all the distilleries and the breweries and every other industry at which the accusing finger has been pointed?

Many years ago I remember reading a poem—if it could be dignified in such fashion, it goes something like this:

"In this day of indigestion,
It's oftimes a serious question,
As to what to eat and what to leave alone.
For every microbe and bacillus
Have a different way to kill us,
And that both in time will claim us for their own.

"Drinking water is just as risky,
As the so-called deadly whisky,
And it's oftimes dangerous to breathe the air.
The clams we eat in chowder,
Make the angels shout the louder,
For they know that we will soon be there.

"Some little bug will get you sometime,
Some little bug will creep behind you sometime,
He will get into your gizzard;
If you get rid of him, you are a wizard,
Some little bug will get you sometime."

Seriously, this is an important amendment. If adopted, it will destroy the livelihoods and the property and fortunes of hundreds of thousands of our people. I hope, therefore, that the amendment will be defeated by an overwhelming vote. I still hope that we will soon embark upon a broad and comprehensive research program and most of all I hope our scientists will soon discover some way to prevent and to cure cancer and all other dread diseases.

Mr. QUILLEN. Mr. Chairman, I rise in opposition to the amendment.

Burley tobacco in my district is a very great industry, as it is in many sections of the United States. Tobacco is a great industry.

I share the same feelings as the chairman of the Committee on Agriculture, that this amendment would destroy this industry. I do not believe that tobacco should be singled out on the floor of the House this afternoon in this way.

As for myself, I have never smoked, but at the same time I do not feel that I am the judge or the jury as to the health of the American people or that this amendment is in the proper proportion. I am definitely opposed to the amendment, because it would destroy an industry and throw thousands and thousands of people out of work. It would destroy many farmers in my area and in the Appalachian region, as well as in other regions of the United States. support of the amendment offered by the

Mr. CORMAN. Mr. Chairman, I rise in gentleman from Michigan [Mr. DINGELL].

Tobacco is an $8 billion industry in the United States. It is an industry with powerful and influential allies in the Halls of Congress. Unfortunately it is an industry that has shown blatant and persistent disregard for the health and well-being of our citizens.

The gentleman from North Carolina [Mr. COOLEY] has just proclaimed that if the U.S. Government were to discontinue subsidizing the tobacco industry, that industry would be destroyed.

In the interest of the health of the American people, I wish that Mr. COOLEY's statement were true. If, as he says, an entire industry is dependent upon Federal subsidies—made possible by taxpayer's money—for its existence, then I say that that industry has no reason for being.

By refusing to subsidize the tobacco industry, we will eliminate one of the most plaguing inconsistencies in our national policy. What we are faced with now is a Government that is willing, on the one hand, to spend money on research to prove to the American people that smoking is a major cause of disease and an unequivocable health hazard and, on the other hand, a Government that is willing to expend funds to protect the tobacco industry from possible financial loss.

I ask my colleagues, whose health is our greatest concern, the health of our citizens or the health of a special interest group? The health of our citizens is the only acceptable answer. Therefore, this distinguished body has but one alternative: to support the amendment offered by Mr. DINGELL and let the tobacco industry fend for itself.

(Mr. CORMAN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope this amendment will be defeated. I realize that through the press and in various and sundry hearings there has been much argument as to various effects of tobacco. I think all of us will agree that this is really a very complex subject and one on which there are many differences of opinion. What action the country should take is certainly not something that would be easy for us to determine. I do think, however, we can all agree here that by adopting an amendment like this, it would not bring about a reduction in the production of tobacco. It would merely say that those hundreds of thousands and millions of people engaged in the production of it shall not receive anything like a fair return. The result of this would merely be to make many other areas of this country like Appalachia.

May I call attention again to the fact that this amendment does not prohibit the production, the sale, or anything else connected with tobacco. As the chairman of the legislative committee pointed out, it would make it more readily available, probably, if people tried to grow more of it. As it is now, there are stronger limitations on the amount of tobacco that can be produced. The limitation is there so that they can receive price support. All of us will agree, however, if this amendment is adopted and you knock out the price supports, it would increase the production of tobacco above what it is now, because producers will be attempting to get enough to live on. So I say that, whatever your feelings are as to what the Congress should do, we certainly should not take this precipitous action here which would have the absolutely opposite effect, in my opinion, to that which is desired by the author of the amendment.

I hope we will defeat the amendment.

Mr. THOMSON of Wisconsin. Mr. Chairman, I rise in opposition to the amendment.

I think the author of the amendment is unaware of the fact that there are many types of tobacco grown in the United States which are not used in cigarettes. I represent a district where several thousand farmers are growing tobacco as a cash crop and none of it goes into the manufacture of cigarettes but, rather, into cigars and chewing tobacco or wrappers and fillers. I am certain the gentleman from Michigan would not want to deny the farmers of Wisconsin the opportunity to produce tobacco that does not go into cigarettes.

I hope that this amendment will be defeated, because I certainly do not want my constituents to be inadvertently injured by an amendment which is designed for some other purpose. So I caution the Members and urge them to vote against this amendment.

Mr. KORNEGAY. Mr. Chairman, I rise in opposition to the amendment.

[Mr. KORNEGAY addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. KORNEGAY asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. DINGELL].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The CLERK. Page 35, line 9:

NATIONAL COMMISSION ON FOOD MARKETING

Salaries and expenses

For necessary expenses of the National Commission on Food Marketing, established by Public Law 88–354, approved July 3, 1964, $750,000.

Mr. ROGERS of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to publicly thank the Attorney General of the United States for his decision Saturday to permit Florida celery farmers additional time to employ offshore farm labor in the harvest of their crops.

Under this decision no new workers will be imported—500 already in the country and working in celery will be permitted to stay until June 1. This will enable farmers to salvage a large part of the crop, with a market value of approximately $2.7 million.

Emergency action was needed in this situation, with crops already ripe in the fields and the labor being readied for repatriation. The Attorney General was most cooperative and understanding of the problem.

Under Public Law 414 the Attorney General is charged with the responsibility of administration of the immigration laws, and thus he is required to act on importation and repatriation of agricultural workers. By practice of the Justice Department, the Secretary of Labor has been consulted as to the availability of domestic farmworkers.

I am certain that our experience this year has proved the need for new procedures in the administration of Public Law 414. Full consideration must be given the views of the Department of Agriculture on the need or justification for offshore farm labor.

With the advise of the Secretary of Agriculture, spelling out the actual condition of the crops and the requirements of harvest, the Attorney General would be in a better position to determine the proper course of action for his Department to take. The Department of Labor seems to depend on statistics rather than actual field conditions, and, of course, simply is not competent to render agricultural opinions on the maturity of a crop or the kind or number of people necessary for its harvest.

The Labor Department should be encouraged to improve efforts to recruit and train domestic unemployed workers to perform the jobs needed on the farms, and I will continue to support their budget requests for these efforts. Our farmers prefer to hire our own citizens, and have met every reasonable request to do so, including the payment of a minimum wage, set by the Labor Department, incentive pay for productive workers, social security, unemployment compensation, housing, and even transportation to and from distant States.

The Appropriations Committee in its Report No. 272 stated that:

Timely availability of labor under current circumstances cannot be assured with the domestic farm labor program we have had in the past.

Experience clearly demonstrates the need for a change in procedures. Now is the time for action, so that the problem can be met before the next crop season.

The growers of Florida, and their domestic employees, thank the Attorney General for his personal time and attention and for his help in salvaging a large portion of this year's celery crop and urge his use of the Department of Agriculture to help in the administration of Public Law 414.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from California.

Mr. TEAGUE of California. Mr. Chairman, I congratulate the gentleman and associate myself with his remarks. But I would also like to express the hope, perhaps a forlorn hope, that the Attorney General will realize, as the Secretary of Labor has not, that California, too, has an equally serious problem and we will not, I hope, be in a situation where Florida has been granted relief while California has not been.

Mr. ROGERS of Florida. Mr. Chairman, I understand that some 37 States will be affected. I am sure that if the Department of Agriculture will transmit the knowledge that it has to the Attorney General and not just to the Secretary of Labor, maybe we will get the full picture which obviously we have not been getting.

Mr. TEAGUE of California. I should hope so. Certainly a desirable precedent has at last been established.

The CLERK. Page 36, line 20:

SEC. 506. Not less than $1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621–1629; 42 U.S.C. 1891–1893), shall be available for contracting in accordance with said Acts.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: Page 37, after line 2, insert the following section:

"SEC. 507. No part of any funds appropriated by this Act may, in any fiscal year, be used, directly or indirectly, to make payments to any person, partnership, or corporation in an aggregate amount in excess of $50,000 in connection with any price-support program or combination of programs for price support or stabilization, irrespective of whether such payments are on account of loans, purchases, or subsidies or are otherwise authorized."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order against the amendment.

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Chairman and Members of the Committee, you will be interested to know that the U.S. Department of Agriculture's Commodity Credit Corporation publishes a list of recipients of price support loans which runs to 13 closely typed pages.

Mr. Chairman, many of those recipients receive amounts like $128,000, $180,000, $173,000, $122,400, $542,687, and $171,077.76.

Mr. Chairman, when the price support program was set up back in the early days of the New Deal, when my father was a Member of Congress, we were told that the purpose of this program was to help the small farmer.

Mr. Chairman, I have voted for many years for these price support programs and I consider myself by reason of my votes for these programs to be a friend of the farmer, even though I say to my colleagues that over these many years in which I have been supporting these programs I have feared that I was supporting the large producer and not the person who should be the principal beneficiary of this program.

Mr. Chairman, if this Congress really seeks to help the small farmer I believe it should and indeed must support this amendment.

Mr. Chairman, my amendment says that no person, corporation, or partnership shall receive from one or from an aggregation of price support programs in excess of $50,000.

Mr. Chairman, I do not view this as being an excessive limitation on the number of persons who shall derive benefits and I do not believe $50,000 in price supports is an unfair limitation to impose upon a farmer.

Mr. Chairman, I can see no justification whatsoever for a farm price support program which would afford to a single producer $524,000. That is not growing for sale or for consumption. That man is growing for storage. I say it is wrong for this Congress to authorize funding of programs which are going to help the big man who is fully capable of finding his place in the marketplace, who is fully competent to meet the competitive thrust of American industry and of American merchandising today.

Mr. Chairman, I say that these price support programs should be limited to those who need the support of the program. I say we should make these price support programs apply to the family farmer. If we are going to do that, I say we can best justify it by screening out that small number of producers who derive excessive benefits from the programs and limit the programs to those who really have need of Government support. If this Congress does this, we will merit the thanks of the American farmer because we will stop the continued conglomeration of farms into larger and larger producer units. Mr. Chairman, I say to my colleagues that if we do this we will have earned the thanks of the American consumer and no longer will dissipate the taxpayers' dollars into the pockets of large producers but will put them into the hands of the small farmers whom we seek to support through our price support programs.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Washington.

(Mr. ADAMS asked and was given permission to revise and extend his remarks.)

Mr. ADAMS. Mr. Chairman, I would like to speak in support of the amendment which has been offered by my friend, the gentleman from Michigan [Mr. DINGELL].

Mr. Chairman, I expect to vote in favor of this appropriation but I have some grave reservations about the future course of our farm program and believe that we should consider some major changes immediately.

I agree with the goals outlined by Mr. Freeman in his text before the House Committee on Agriculture speaking in support of the Food and Agriculture Act of 1965. My reservations are that I believe we should state flatly now that our agricultural programs are not working and we should look at the problem and make a fresh start.

The farm community of the 1960's and 1970's is far different than the community of the 1930's and 1940's when our present farm policy evolved. The new types of equipment, the fertilizers, insecticides, and weedicides have changed production drastically in the last 10 years. These items are available to the well-financed large corporate-type farm complexes and are very effective there. They are not as effective in the small family farm. These items provide great productive capacitey on the large commercial farms enabling them to receive large subsidy payments while providing only a trickle to the small family farmer. The payment of subsidies under these circumstances without production controls has led to the creation of large surpluses and imbalance of income whereby a small percentage of our farmers receive the great bulk of our farm subsidy payments.

For example, the family farmer must farm "fence to fence" to maintain a bare existence and he cannot participate in voluntary soil bank programs. Whereas the large commercial farmer through use of new techniques and equipment can both maintain his past production and participate in the soil bank program, with the result that we have not reduced surpluses or controlled production or substantially aided the small farmer.

We should recognize that we are not aiding the small family farmer or the American consumer by a mere continuation of our past programs. Statistic after statistic show the flight from the farm to the city and statistic after statistic indicates how firmly the total agricultural production in the United States is moving into the hands of a smaller and smaller grouup of large industrial farming complexes. While the present parity—subsidy programs without production controls—may have worked in the past, they have outlived their usefulness. They give us neither control of our production nor do they support the type of farm that needs help. The agricultural production of our country is the envy of the world and the despair of the Communist nations. Our farmers have literally revolutionized the concept of growing food and fiber. We have developed a system of production which is the envy of the world. We should not permit this wonderful operation which we have developed through the resourcefulness of our heritage of both people and resources to become a plague.

I believe we must break with the mold of the past. We must develop farm policies which are meaningful for the 1960's and 1970's and beyond.

As an example, one great flaw in our present program is that the Federal Government continues to price U.S. cotton out of the market and we are now paying subsidies at more than one level in the cotton producing and manufacturing process.

As recently stated in the Washington Post on May 2, 1965:

> World cotton consumption is increasing at the rate of about a million bales a year, and if this country were not pushed out of the world market by a policy that relegates it to the role of a high priced, residual supplier, our balance-of-payments position might be strengthened by as much as $350 million.

I

I would propose, therefore, that we move to a system of income supports. A tepid and timid move in this direction has already been made for wheat, and a successful income support program for wool producers has been operating since 1964. Income guarantee supports would move our agricultural programs from a program of price parity to a program of income parity. We then should support directly our family farmer to certain predetermined levels. These levels could be worked out, for example, at a percentage return on investment, plus a fair return for his labor with a reasonable upper limit guarantee of supports at a determined figure of say $25,000 to any single farm family producer. Then farm products could move to the marketplace and rise and fall with supply and demand with each farmer earning according to his abilities and farm capacity but with support being given to the low-income farmers.

II

A determination be made of our domestic and overseas needs for the next 10 years. The needs of our society should be set forth as clearly as possible and we should then move to fill the needs.

III

The type of farm operation that we hope to encourage should be of major interest. If we hope to maintain the values we speak of, then the emphasis on our programs should be on the cultural, and conservation of soil and water aspects of the program, and not on the production aspects of the program. Our farmers should be rewarded for saving our soil and water resources—for this is the staff of our life. With a program of income supports that starts to deemphasize the goal of allout production every year, we would gradually build our soil and water resources on the farms of America to last forever.

IV

A program of consumer education should be started. That would make agricultural production and food meaningful in terms of the foods we eat and wear. Plus the added advantage of the natural flow of commodities to the marketplace unhindered by artificial barriers.

V

A program of immediate support for raising the minimum wage of our migratory workers to $1.25 per hour, with decent standards of housing, education, and sanitation.

VI

The developing of the idea that the most valuable weapon we have in our battle against the tyranny of communism is food and clothing. That we start to utilize our food programs in such a way that people of the world will know that the only war we seek is man's ancient war against ignorance, poverty, and disease.

We in the United States should be eternally grateful to the American farmer for the tremendous contribution of know-how in farming. The farmers of the United States have lifted the specter of starvation from our backs and have shown the way to the rest of the world. With this contribution in mind, I believe that it is possible for us to save the values that we wish in farming and provide to the consumers of America the objectives which the Secretary of Agriculture enumerates.

Mr. DINGELL. I thank the gentleman. I will tell my friends from the farm States that the day of reckoning is not far off. The city people are sick and tired of having farm programs coming before the House which do not protect the small farmer; that ignore the wishes of the consumers. The day is coming shortly, Mr. Chairman, when Members of Congress from city districts will no longer be able to support price support programs because of exactly the type of abuse I have cataloged to this body today.

The CHAIRMAN. Does the gentleman from Mississippi press his point of order?

Mr. WHITTEN. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. WHITTEN. This amendment would require the keeping of books, it would require substantive additional duties on many people because many producers produce many different crops. This would be legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard?

Mr. DINGELL. Mr. Chairman, if I may be heard, I would point out this is very simple. I am sure the gentleman from Mississippi knows no duties are imposed upon any persons by this. It says:

> No part of any funds appropriated by this Act may, in any fiscal year, be used, directly or indirectly, to make payments to any person, partnership or corporation in an aggregate amount in excess of $50,000 in connection with any price support program or combination of programs for price support or stabilization.

This is really a limitation.

The CHAIRMAN (Mr. KEOGH). The gentleman from Michigan [Mr. DINGELL] offered an amendment to page 37, line 2, which is a new section, and reads as follows:

> No part of any funds appropriated by this Act may, in any fiscal year, be used, direclty

or indircetly, to make payments to any person, partnership or corporation in an aggregate amount in excess of $50,000 in connection with any price support program or combination of programs for price support or stabilization, irrespective of whether such payments are on account of loans, purchases, or subsidies or are otherwise authorized.

To which amendment the gentleman from Mississippi makes the point of order that it is legislation on an appropriation bill.

The Chair is of the opinion that since the amendment is directed to funds appropriated by the pending act, the phrase "in any fiscal year" is not applicable, nor in fact is it necessary. But the Chair is further of the opinion that this is an express limitation on the funds appropriated by the pending bill, and holds that the amendment is in order, and overrules the point of order.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the price support program that we have in existence provides for coverage of total production. It provides for loans to mature. The whole basis for the program is that the producer is eligible if he comes within the provisions of the program. I respectfully submit this limitation would in effect limit the amount of production that is under the farm program, and would cause the Government to lose more money.

Going to the merits of the matter, may I point out to my friends from the city areas, who are consumers, and I am no more a farmer than you are—I am not a producer, I am a consumer—but those of us who are consumers must realize that about 1 million farmers produce for us consumers about 80 percent of the production in the United States. About 1 million people make available to us at a cost of about 17 or 18 percent of our consumers' income the finest foodstuffs and fibers that any nation has ever known.

I say to you, if you want to enact a relief program, if you want to provide for a program of payments to people on a relief basis, you might have some justification for limiting the payments as proposed. But as long as you have a farm program based on total production, any time you try to put on a limit and say that those up to a certain point are in the program and all the rest are outside of the program, you flood the market and break the prices and it is going to cost more money.

Another way to look at it—and this is not a threat or anything like that—but it is just like saying that your minimum wage laws and your bargaining rights should be limited only to those plants that have eight people. It is like saying that if you have a large plant that a wage contract should not exist there.

It is your big commercial operator who has increased his investment tenfold who supplies 80 percent of all that we consume. If you take that producer out from under the farm program, you will be hurting us consumers. At the same time, you will cost yourselves money because you would be paying up to $50,000 to this group over here that does not have as much to do with supplying us, and leaving outside the program the big producers that do supply us.

Mr. Chairman, I hope my colleagues defeat this amendment because I think it is not good for either the farmer or the consumer.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my distinguished chairman.

Mr. MAHON. I am unalterably opposed to the limitation amendment. It is wrong in principle and would be damaging to producer and consumer alike. Also is it not true that this is the situation. Here it is now May 27. The farmers have made their plans for this year. Many of them have already planted their crops and they did so with a certain understanding of what the rules and regulations are.

Mr. WHITTEN. The gentleman's point is well made. However, it goes much deeper than that. That is a matter of obligation or contract. I am just saying that this approach would cost a whole lot more money because it would put under it only those who are under $50,000 gross production and would keep out of it the big segment of producers and it would leave the Government with all the costs. I suggest it is basically unsound.

Mr. ALBERT. I think it comes down to this. If we do not like the philosophy of the farm program it is one thing, but to say here that we should remove from the program all production over a certain amount would mean that such production would go into the market and all the rest would go into Government warehouses.

Mr. WHITTEN. It would hurt the consumer, it would break the farm program, and it would cost the Government a whole lot more money.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to point out briefly that the figures that the gentleman from Michigan used really do not warrant the conclusion he developed. He includes in his amendment loans and guarantees. A lot of the benefits that are available under the farm programs are loans and guarantees. Of the money that is being loaned and guaranteed on the 1964 crop of corn and beans—hardly a dime of it will result in a cost to the U.S. Treasury. The farmers secured loans in the fall. During the marketing year, probably now or in April or March, they sell the beans or corn and receive more than the loan and pay it off with interest. Those loans and guarantees are included in the limitation in the amendment. If you are going to put a limitation on, why limit it to farm loans? We do not limit the Small Business Administration loans to $50,000. We do not limit the number of houses that a builder can sell with FHA guaranteed loans to a cumulative total of $50,000. Payments for houses are guaranteed at the bank just the same as payments on farm commodity loans have a guarantee that the money will be paid. We do not have such a limitation on most other segments of our economy so why should we have that type limitation here?

These programs are supply and demand programs? We are trying to make supply balance with demand. If we prevent the bigger farmers from helping to balance supply, they will increase their supply and then the family farmers must reduce their supply even more. In other words, whenever we drive some of the bigger operators out of the program, we are in fact putting a bigger burden on the family farmer, because he has to absorb more of the reduction.

Mr. OLSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Minnesota.

Mr. OLSON of Minnesota. The point the gentleman is making can perhaps be best emphasized by the fact that within a short time this committee will be debating whether to increase the legal minimum at which the Commodity Credit Corporation can release stocks which it has acquired under the price support program.

The implication here is that when the Commodity Credit Corporation makes a loan, we lose money. The present law requires they cannot release those stocks at less than 105 percent of the loan rate plus carrying charges.

I further point out that this seems to me to limit the benefits which could be paid to a farmer, which might inure because of the wheat certificate program. The domestic wheat certificate does not involve Federal funds but in fact is part of the price of wheat as paid by the processor for domestic food purposes.

Mr. SMITH of Iowa. The gentleman is helping to point out that this is a very complicated question which cannot be dealt with in a simple amendment such as proposed. That should be done in a legislative act. Ife we pass this amendment, we will be picking out the farmer and saying, "You are the only one upon which there is going to be a limitation on loans and guarantees." I urge rejection of the amendment under consideration.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

I should like to associate myself with the remarks of my good friend from Iowa and also the remarks of the distinguished Members who have spoken in opposition to the amendment.

The American farm program in recent years has been designed to encourage the widest possible participation of all producers, and particularly it is needful to involve the participation of the commercial farmers. The program suggested by the amendment strikes at the very heart of this policy. It would drive outside the present attempt to control American production some of the largest producers. Not only would it be inequitable to them, by punishing bigness, but beyond that it would threaten the entire validity of our present farm program.

As another comment, the implication of the amendment is that some American farmers are receiving $50,000 for their profit. But the amendment relates to payments to them. As many Members from agricultural areas well know, the income to many of our commercial

farmers is 2 or 3 percent of investment. That is what the amendment approaches, and not profit. It does not approach net returns, but relates to the payment received from Government programs.

I urge that the amendment be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman man from Michigan [Mr. DINGELL].

The amendment was rejected.

AMENDMENT OFFERED BY MR. NELSEN

Mr. NELSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSEN of Minnesota: On page 37, line 3, insert: "SEC. 507. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, participates or has been found to have participated in partisan political activities in violation of the Hatch Act or the Corrupt Practices Act."

Mr. WHITTEN. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. WHITTEN. As I understand the amendment—and I have not seen it—it would be an ex post facto law, in that it has to do with prior actions.

It would call for determinations wholly beyond the determination of the Department of Agriculture, and definitely it would impose additional duties. For that reason it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Minnesota desire to be heard on the point of order?

Mr. NELSEN. On the point of order, it would seem to me there would be nothing wrong with an amendment to this bill that would require employees of the Government to abide by the laws of the land. I desire that the Chair permit me my 5 minutes in order to speak on my amendment, and if the Chair will permit, he could then rule on the point of order.

Mr. WHITTEN. Mr. Chairman, I withhold my point of order.

Mr. NELSEN. Thank you, Mr. Chairman, and I thank the chairman of the committee.

Mr. Chairman, back in 1961 reports came to me from employees of the Rural Electrification Administration, that the solicitation of political funds was being carried on quite extensively in that department. I called this to the attention of the proper authorities, and finally the Civil Service Commission in effect said, "Put up or else." I brought the information to the attention of the investigators of the Civil Service Commission. Last October I received a letter from the Civil Service Commission stating that they had documented my charge indicating that one person was in violation of the Hatch Act and three at the administrative level were in violation of the Corrupt Practices Act. Later the Federal Bureau of Investigation was brought into the act, and to this day there has been nothing resolved. This has been going on and on.

I might add it has been disappointing to me as a former administrator of the REA program that we do nothing about the fact that the administrator of that agency involves himself in congressional races and goes out on fundraising dinners, even for a State senator in one of our States. When I was administrator of the agency I was on the hot seat before a Government Operations Committee and was admonished by the committee that the law provides that the administrator shall not participate in politics—and I did not. So my purpose, of course, is to bring this to the attention of the House because in my judgment rural America never had a better program than rural electrification. It has had bipartisan support.

This has been a great program and has been one of the best ever enacted by the Congress of the United States. I do not like to see that agency become a partisan collection agency for any political party, and I do not wish to see the Administrator become the pawn of any politician, whether he be Republican or Democrat.

Mr. Chairman, I withdraw my amendment.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from Minnesota is withdrawn.

There was no objection.

The Clerk concluded the reading of the bill.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year 1966, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendments. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

MOTION TO RECOMMIT BY MR. BOW

Mr. BOW. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. BOW. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. Bow moves to recommit the bill, H.R. 8370, to the Committee on Appropriations with instructions to report back forthwith with an amendment as follows:

On page 32, line 2, insert the following: "No part of this appropriation shall be used during the fiscal year 1966 to finance the export of any agricultural commodity to either the United Arab Republic or Indonesia under the provisions of title I of Public Law 480, 83d Congress, as amended."

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

Mr. BOW. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 187, nays 208, not voting 38, as follows:

[Roll No. 112]

YEAS—187

Abbitt	Frelinghuysen	O'Hara, Ill.
Abernethy	Friedel	O'Konski
Adair	Fulton, Pa.	O'Neal, Ga.
Andrews, Glenn	Fulton, Tenn.	Passman
	Fuqua	Patten
Andrews, N. Dak.	Garmatz	Pelly
	Gibbons	Pike
Arends	Gilbert	Pirnie
Ashmore	Goodell	Poff
Ayres	Griffin	Pucinski
Baldwin	Gross	Quie
Baring	Grover	Quillen
Bates	Gubser	Reid, Ill.
Battin	Gurney	Reinecke
Belcher	Hagan, Ga.	Rhodes, Ariz.
Bell	Haley	Robison
Bennett	Hall	Rogers, Colo.
Betts	Halleck	Rogers, Fla.
Bingham	Halpern	Rogers, Tex.
Bolton	Harsha	Roosevelt
Bow	Harvey, Mich.	Rosenthal
Bray	Herlong	Roudebush
Brock	Hicks	Rumsfeld
Broomfield	Horton	Ryan
Broyhill, N.C.	Hosmer	Satterfield
Broyhill, Va.	Huot	Saylor
Buchanan	Hutchinson	Scheuer
Burton, Utah	Ichord	Schneebeli
Byrnes, Wis.	Jacobs	Schweiker
Cahill	Jarman	Scott
Callaway	Johnson, Pa.	Secrest
Carter	Jonas	Selden
Cederberg	Keith	Shriver
Chamberlain	King, N.Y.	Sikes
Clancy	Kunkel	Smith, Calif.
Cleveland	Laird	Smith, N.Y.
Collier	Langen	Smith, Va.
Colmer	Latta	Stanton
Conable	Lipscomb	Stratton
Conte	Long, La.	Talcott
Corbett	Long, Md.	Taylor
Corman	McCarthy	Teague, Calif.
Cramer	McClory	Teague, Tex.
Cunningham	McCulloch	Thomson, Wis.
Curtin	McDade	Tuck
Curtis	McEwen	Tunney
Dague	Macdonald	Tupper
Davis, Wis.	MacGregor	Utt
Derwinski	Mailliard	Waggonner
Devine	Marsh	Walker, Miss.
Dickinson	Martin, Ala.	Walker, N. Mex.
Dole	Martin, Mass.	Watkins
Dowdy	Martin, Nebr.	Whalley
Duncan, Tenn.	May	White, Tex.
Dwyer	Michel	Whitener
Edwards, Ala.	Minshall	Widnall
Ellsworth	Mize	Williams
Erlenborn	Moeller	Wilson, Bob
Farbstein	Moore	Wolff
Findley	Morse	Wyatt
Fisher	Morton	Wydler
Ford, Gerald R.	Mosher	Yates
Fountain	Nelsen	Younger

NAYS—208

Adams	Green, Pa.	Nedzi
Addabbo	Grider	Nix
Albert	Grabowski	O'Brien
Anderson, Tenn.	Gray	O'Hara, Mich.
	Green, Oreg.	Olsen, Mont.
Annunzio	Greigg	Olson, Minn.
Aspinall	Griffiths	O'Neill, Mass.
Bandstra	Hamilton	Ottinger
Barrett	Hanley	Patman
Beckworth	Hansen, Iowa	Pepper
Blatnik	Hansen, Wash.	Perkins
Boggs	Harris	Philbin
Boland	Hardy	Pickle
Bolling	Hathaway	Poage
Brademas	Hawkins	Powell
Brooks	Hechler	Purcell
Burke	Heistoski	Race
Burleson	Henderson	Redlin
Burton, Calif.	Holifield	Reid, N.Y.
Byrne, Pa.	Holland	Reifel
Cabell	Howard	Reuss
Callan	Hull	Rhodes, Pa.
Cameron	Hungate	Rivers, S.C.
Carey	Irwin	Rivers, Alaska
Casey	Jennings	Roberts
Celler	Joelson	Rodino
Cheif	Johnson, Calif.	Ronan
Clark	Johnson, Okla.	Rooney, N.Y.
Clevenger	Jones, Ala.	Rooney, Pa.
Cohelan	Jones, Mo.	Rostenkowski
Conyers	Karsten	Roush
Cooley	Karth	Roybal
Craley	Kastenmeier	St Germain
Culver	Kee	St. Onge
Daddario	Kelly	Schisler
Danieis	Keogh	Schmidhauser
Davis, Ga.	King, Calif.	Senner
Dawson	King, Utah	Shipley
de la Garza	Kirwan	Sickles
Delaney	Kluczynski	Sisk
Dent	Kornegay	Slack
Denton	Krebs	Smith, Iowa
Diggs	Leggett	Staggers
Dingell	Love	Stalbaum
Donohue	McDowell	Stephens
Dorn	McFall	Stubblefield
Dow	McGrath	Sullivan
Downing	McMillan	Sweeney
Dulski	McVicker	Tenzer
Duncan, Oreg.	Machen	Thomas
Dyal	Mackay	Thompson, La.
Edmondson	Mackie	Thompson, N.J.
Edwards, Calif.	Madden	Thompson, Tex.
Evans, Colo.	Mahon	Todd
Everett	Matsunaga	Trimble
Evins, Tenn.	Matthews	Tuten
Fallon	Meeds	Udall
Farnsley	Mills	Ullman
Farnum	Minish	Van Deerlin
Fascell	Mink	Vanik
Feighan	Monagan	Vigorito
Flood	Moorhead	Vivian
Foley	Morgan	Watts
Ford, William D.	Morris	Whitten
	Morrison	Wilson, Charles H.
Fraser	Moss	
Gathings	Multer	Wright
Gettys	Murphy, Ill.	Young
Giaimo	Murphy, N.Y.	Zablocki
Gilligan	Murray	
Gonzalez	Natcher	

NOT VOTING—38

Anderson, Ill.	Fogarty	Price
Andrews, George W.	Gallagher	Randall
	Hagen, Calif.	Resnick
Ashbrook	Hanna	Roncalio
Ashley	Hansen, Idaho	Skubitz
Berry	Harvey, Ind.	Springer
Bonner	Hays	Stafford
Brown, Calif.	Hébert	Steed
Brown, Ohio	Landrum	Toll
Clausen, Don H.	Lennon	Weltner
	Lindsay	White, Idaho
Clawson, Del	Mathias	Willis
Fino	Miller	
Flynt	Pool	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Brown of California against.

Mr. Lennon for, with Mr. Ashley against.

Mr. Toll for, with Mr. Hays against.

Mr. Resnick for, with Mr. Roncalio against.

Mr. Brown of Ohio for, with Mr. White of Idaho against.

Mr. Lindsay for, with Mr. Price against.

Mr. Hansen of Idaho for, with Mr. Randall against.

Mr. Fino for, with Mr. Miller against.

Mr. Berry for, with Mr. Gallagher against.

Until further notice:

Mr. George Andrews with Mr. Harvey of Indiana.

Mr. Fogarty with Mr. Don H. Clausen.

Mr. Willis with Mr. Skubitz.

Mr. Steed with Mr. Springer.

Mr. Landrum with Mr. Stafford.

Mr. Pool with Mr. Anderson of Illinois.

Mr. Hagen of California with Mr. Mathias.

Mr. Flynt with Mr. Hanna.

Mr. Bonner with Mr. Weltner.

Messrs. ROOSEVELT, MAILLIARD, FULTON of Tennessee, HICKS, PATTEN, and MACDONALD changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on passage of the bill.

Mr. MICHEL. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 354, nays 41, not voting 38, as follows:

[Roll No. 113]

YEAS—354

Abbitt	Cooley	Green, Pa.
Abernethy	Corman	Greigg
Adair	Craley	Grider
Adams	Cramer	Griffin
Addabbo	Culver	Griffiths
Albert	Cunningham	Gross
Anderson, Tenn.	Curtin	Gubser
	Daddario	Hagan, Ga.
Andrews, Glenn	Dague	Hall
	Danieis	Halleck
Andrews, N. Dak.	Davis, Ga.	Halpern
	Dawson	Hamilton
Annunzio	de la Garza	Hanley
Arends	Delaney	Hansen, Iowa
Ashmore	Dent	Hansen, Wash.
Aspinall	Denton	Hardy
Ayres	Dickinson	Harris
Baldwin	Diggs	Harsha
Bandstra	Dingell	Hathaway
Baring	Doie	Hawkins
Barrett	Donohue	Hechler
Bates	Dorn	Helstoski
Battin	Dow	Henderson
Beckworth	Dowdy	Herlong
Belcher	Downing	Hicks
Bennett	Dulski	Holifield
Betts	Duncan, Oreg.	Holland
Bingham	Duncan, Tenn.	Horton
Blatnik	Dwyer	Howard
Boggs	Dyal	Hull
Boland	Edmondson	Hungate
Bolling	Edwards, Calif.	Huot
Bolton	Ellsworth	Hutchinson
Brademas	Evans, Colo.	Ichord
Bray	Everett	Irwin
Brooks	Evins, Tenn.	Jarman
Broyhill, N.C.	Fallon	Jennings
Broyhill, Va.	Farbstein	Joelson
Buchanan	Farnsley	Johnson, Calif.
Burke	Farnum	Johnson, Okla.
Burleson	Fascell	Johnson, Pa.
Burton, Calif.	Feighan	Jonas
Burton, Utah	Fisher	Jones, Ala.
Byrne, Pa.	Flood	Jones, Mo.
Byrnes, Wis.	Foley	Karsten
Cabell	Ford, William D.	Karth
Callan		Kastenmeier
Callaway	Fountain	Kee
Carey	Fraser	Keith
Carter	Frelinghuysen	Kelly
Casey	Friedel	Keogh
Cederberg	Fulton, Tenn.	King, Calif.
Celler	Fuqua	King, N.Y.
Chamberlain	Gallagher	King, Utah
Cheif	Garmatz	Kluczynski
Clark	Gathings	Kornegay
Cleveland	Gettys	Krebs
Clevenger	Giaimo	Kunkel
Cohelan	Gilbert	Laird
Collier	Gilligan	Langen
Colmer	Gonzalez	Latta
Conable	Grabowski	Leggett
Conte	Gray	Lipscomb
Conyers	Green, Oreg.	Long, La.
Long, Md.	Ottinger	Sickles
Love	Passman	Sikes
McCulloch	Patman	Sisk
McDade	Patten	Slack
McDowell	Pepper	Smith, Iowa
McEwen	Perkins	Smith, N.Y.
McFall	Philbin	Smith, Va.
McGrath	Pickle	Staggers
McMillan	Pirnie	Stalbaum
McVicker	Poage	Stanton
Macdonald	Poff	Stephens
MacGregor	Powell	Stratton
Machen	Pucinski	Stubblefield
Mackay	Purcell	Sullivan
Mackie	Quie	Sweeney
Madden	Quillen	Talcott
Mahon	Race	Taylor
Marsh	Redlin	Teague, Calif.
Martin, Mass.	Reid, Ill.	Teague, Tex.
Martin, Nebr.	Reid, N.Y.	Tenzer
Matsunaga	Reifel	Thomas
Matthews	Reuss	Thompson, La.
May	Rhodes, Ariz.	Thompson, N.J.
Meeds	Rhodes, Pa.	Thompson, Tex.
Michel	Rivers, Alaska	Thomson, Wis.
Mills	Rivers, S.C.	Todd
Minish	Roberts	Trimble
Mink	Robison	Tuck
Mize	Rodino	Tunney
Moeller	Rogers, Colo.	Tupper
Monagan	Rogers, Tex.	Tuten
Moore	Ronan	Udall
Moorhead	Rooney, N.Y.	Ullman
Morgan	Rooney, Pa.	Van Deerlin
Morris	Roosevelt	Vanik
Morrison	Rosenthal	Vigorito
Morse	Rostenkowski	Vivian
Morton	Roudebush	Waggonner
Mosher	Roush	Walker, Miss.
Moss	Roybal	Walker, N. Mex.
Multer	Rumsfeld	Watts
Murphy, Ill.	Ryan	Whalley
Murphy, N.Y.	Satterfield	White, Tex.
Murray	St Germain	Whitener
Natcher	St. Onge	Whitten
Nedzi	Scheuer	Widnall
Nelsen	Schisler	Williams
Nix	Schmidhauser	Wilson, Bob
O'Brien	Schneebeli	Wilson, Charles H.
O'Hara, Ill.	Schweiker	
O'Hara, Mich.	Scott	Wright
O'Konski	Secrest	Wyatt
Olsen, Mont.	Selden	Yates
Olson, Minn.	Senner	Young
O'Neal, Ga.	Shipley	Zablocki
O'Neill, Mass.	Shriver	

NAYS—41

Bell	Findley	Martin, Ala.
Bow	Ford, Gerald R.	Minshall
Brock	Fulton, Pa.	Pelly
Broomfield	Gibbons	Pike
Cahill	Goodell	Reinecke
Cameron	Grover	Rogers, Fla.
Clancy	Gurney	Saylor
Corbett	Haley	Smith, Calif.
Curtis	Harvey, Mich.	Utt
Davis, Wis.	Hosmer	Watkins
Derwinski	Jacobs	Wolff
Devine	McCarthy	Wydler
Edwards, Ala.	McClory	Younger
Erlenborn	Mailliard	

NOT VOTING—38

Anderson, Ill.	Fogarty	Price
Andrews, George W.	Hagen, Calif.	Randall
	Hanna	Resnick
Ashbrook	Hansen, Idaho	Roncalio
Ashley	Harvey, Ind.	Skubitz
Berry	Hays	Springer
Bonner	Hébert	Stafford
Brown, Calif.	Kirwan	Steed
Brown, Ohio	Landrum	Toll
Clausen, Don H.	Lennon	Weltner
	Lindsay	White, Idaho
Clawson, Del	Mathias	Willis
Flynt	Miller	
Fino	Pool	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hansen of Idaho for, with Mr. Ashbrook against.

Mr. Brown of Ohio for, with Mr. Del Clawson against.

Until further notice:

Mr. Hébert with Mr. Stafford.

Mr. Fogarty with Mr. Skubitz.

Mr. Toll with Mr. Mathias.

Mr. Pool with Mr. Harvey of Indiana.

Mr. Willis with Mr. Springer.
Mr. Lennon with Mr. Don H. Clausen.
Mr. Bonner with Mr. Anderson of Illinois.
Mr. Hays with Mr. Fino.
Mr. Price with Mr. Hagen of California.
Mr. Kirwan with Mr. White of Idaho.
Mr. Miller with Mr. Resnick.
Mr. Roncalio with Mr. Ashley.
Mr. Steed with Mr. Brown of California.
Mr. Flynt with Mr. Hanna.
Mr. George Andrews with Mr. Weltner.

Mr. DUNCAN of Tennessee changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in connection with the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

COMMITTEE ON APPROPRIATIONS

Mr. ROONEY of New York. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow to file a privileged report on the bill making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year 1966, and for other purposes.

Mr. BOW reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMEND SMALL BUSINESS ACT

Mr. PEPPER, from the Committee on Rules, reported the following privileged resolution (H. Res. 402, Rept. No. 378), which was referred to the House Calendar and ordered to be printed:

H. RES. 402

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7847) to amend the Small Business Act. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORITY OF DOMESTIC BANKS TO PAY INTEREST ON TIME DEPOSITS OF FOREIGN GOVERNMENTS

Mr. PEPPER, from the Committee on Rules, reported the following privileged resolution (H. Res. 401, Rept. No. 377), which was referred to the House Calendar and ordered to be printed:

H. RES. 401

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5306) to continue the authority of domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the substitute amendment recommended by the Committee on Banking and Currency now in the bill and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means have until midnight Tuesday, June 1, to file a report to accompany the bill H.R. 8464.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

AUTHORIZING APPROPRIATIONS FOR AIRCRAFT, MISSILES, AND NAVAL VESSELS, 1966

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 400 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 400

Resolved, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (S. 800) to authorize appropriations during fiscal year 1966 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluation, for the Armed Forces, and for other purposes, and all point of order against the conference report are hereby waived.

Mr. COLMER. Mr. Speaker, I yield the customary 30 minutes to the gentleman from California [Mr. SMITH]. Pending that I yield myself such time as I may consume.

(Mr. COLMER asked and was given permission to revise and extend his remarks.)

Mr. COLMER. Mr. Speaker, this resolution merely makes in order the consideration of the conference report on the military procurement bill, S. 800.

Mr. Speaker, it becomes necessary to adopt this rule in order that the conference report may be considered. This becomes necessary, Mr. Speaker, because the amount arrived at in conference exceeds the amount of the authorization.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Iowa.

Mr. GROSS. What the gentleman is saying is that the conference report will be subject to a point of order in the absence of a rule waiving points of order, because I must assume there are items which are not authorized by the House in the conference report. Is that correct?

Mr. COLMER. In reply to my distinguished and able friend from Iowa, let me say that he is only partially correct. He is usually correct in toto.

Mr. GROSS. Well, thank you.

Mr. COLMER. It is necessary to waive points of order because the amount exceeds the amount of the authorization. It is not my understanding, however—and I may be in error, but, if so, I will yield to someone who can correct me—that there are items that were not in the bill. That is not my understanding.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, may I simply say that I am in agreement with the gentleman from Mississippi [Mr. COLMER]. My understanding of it is that the House passed a bill adding certain items, some frigates, which cost more money than carried in the committee bill. The Senate did not include those, but they added something else to it. When they went into conference, they each got what they wanted. This rule is necessary to waive points of order in order that we may adopt the conference report on the bill. And I suggest that we adopt the rule and the conference report.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. RIVERS of South Carolina. Mr. Speaker, I call up the conference report on the bill (S. 800) to authorize appropriations during fiscal year 1966 for procurement of aircraft, missiles, and naval vessels, and research, development, test, and evaluation, for the Armed Forces, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 25, 1965.)

Mr. RIVERS of South Carolina. Mr. Speaker, this is the conference report on S. 800, the authorizing legislation for the procurement of aircraft, missiles, and naval vessels and for research and development carried on by the Department of Defense.

The bill authorizes the procurement, for the 3 services, of 2,294 aircraft,

over 38,000 missiles for all 3 military services and 62 new ships for the Navy. The bill also authorizes the conversion of 12 ships.

The bill as presented to the Congress by the President totaled $15,297,200,000—of which $6,558,800,000 was for research, development, test, and evaluation.

The bill as it passed the House totaled $15,303,400,000—of which $6,444,500,000 was for R.D.T. & E.

The bill as it passed the Senate totaled $15,283,800,000—of which $6,596,800,000 was for R.D.T. & E.

The bill as agreed to in conference totals $15,402,800,000—of which $6,444,500,000 is for R.D.T. & E.

The agreement arrived at by the conferees is $99,400,000 more than the bill as it passed the House: $119 million more than the bill as it passed the Senate: and is $105,600,000 above the bill as it was presented to the Congress by the President.

From the foregoing figures, it is clear that the difference between the Senate bill and the House bill was very small, indeed, only $19.6 million.

In view of this, there was very little room for negotiation.

In addition to the very small difference between the two bills was the added complication that some of the internal differences represented quite large amounts.

For example, the Senate had added two attack submarines at a cost of $133.6 million and the House had added a nuclear-powered guided missile frigate at a cost of $150.5 million. Also, the Senate had deleted 10 E–2A aircraft—these are the large airborne warning aircraft—involving $99.8 million.

This aircraft has, in the past, had certain difficulties with its electronics.

It appears that these difficulties have very recently been rectified and the aircraft are of such importance that they should be in the bill: so the Senate agreed to their reinsertion. I might point out that had this aircraft been operational in South Vietnam, our losses of 105's and other aircraft might well have been very much smaller.

And lastly, in the research and development area—and this is a little bit complicated—the House was $152.3 million below the Senate version. But the Senate had added $82 million for the advanced manned strategic aircraft—the follow-on bomber—while the House had added only $7 million for this aircraft. The Senate receded on this.

So, here the conferees of both the Senate and the House found themselves with a very small area of total difference between the amounts of the two bills but with very large internal items in disagreement.

The House conferees were, of course, insistent that the nuclear-powered guided missile frigate remain in the bill—$150.5 million. And the Senate was equally insistant that their two additional attack submarines remain in the bill—$133.6 million. Actually, both the Senate and House positions were very soundly based since the Joint Chiefs of Staff were unanimous that the submarines be added, and with respect to the frigate, were virtually unanimous, with only one dissenting vote. So the top military people all agreed these ships should be in the bill even though Mr. McNamara did not want them. I might also state that the Joint Committee on Atomic Energy also supports both the submarines and the nuclear frigate.

After extended negotiations, we simply found it impossible to arrive at an agreed amount which did not exceed the larger of the two bills, that is to say, the House bill.

In view of the foregoing, we obtained the rule which was considered immediately prior to the consideration of this conference report.

DETAILED SUMMARY

Here is, in detail, exactly what the conferees agreed upon.

The Senate deletion of 10 Navy E–2A's at $99.8 million was reinserted in the bill.

The Air Force industrial facilities in the amount of $5 million which the House deleted is now back in the bill.

The Air Force missile support equipment in the amount of $25 million which the House deleted is now returned to the bill.

The request of the Department of Defense was for four fast deployment logistic ships. The Senate permitted only two at $64.2 million and the House in conference agreed with the Senate that only two of these ships should be included in the program.

The Department of Defense had requested 10 motor gunboats. The Senate allowed only 5 but agreed in conference to all 10 of these gunboats.

The original request for attack submarines was four. The Senate added two at a cost of $133.6 million and the House agreed to these two additional ships.

The House had added to the bill a nuclear-powered guided missile frigate at a cost of $150.5 million. The Senate agreed to the addition of this frigate.

In the area of research and development, the amount granted by the House was $152.3 million below that granted by the Senate. The Senate agreed to the House figure.

The foregoing figures are those specifically agreed to in the conference.

In addition, the House will recall that the committee had added certain nonmonetary amendments to the bill. All of these amendments, which are briefly described below, were agreed to by the Senate.

SECTION 301. REPEAL OF TONNAGE

The Vinson-Trammell Act and subsequent acts created tonnage which now is in excess of 3,300,000 tons. From every practical standpoint, the enactment of section 412(b) has rendered existing tonnage authorizations meaningless. Bookkeeping on this tonnage is expensive.

SECTION 302. ALTERNATE SHIP PROVISION

Section 301, in addition to repealing outstanding tonnage, also repealed the alternate ship provision of the Vinson-Trammell Act. It is considered desirable that this provision be preserved.

The Vinson-Trammell Act applied only to "warships." Since that act, escort vessels have become an important part of the Navy. The House committee, therefore, in reenacting the alternate ship provision, modified it slightly to include "warships and escort vessels." In this year's bill alone the change will embrace 10 destroyer escorts at a price of $279.1 million.

SECTION 303. SIXTY-FIVE-THIRTY-FIVE

Today at least 35 percent of all conversion, alteration, and repair of naval ships must, under Appropriations Committee language, be performed in private shipyards. This section would eliminate this requirement.

The Navy and the Secretary of Defense strongly support this new section.

The Secretary of the Navy in a letter to the committee stated, among other things, that:

> Cost studies show that there is no economy in contracting out conversion, alteration, and repair work (CAR) to private yards. In fact, annual savings can be achieved under present cost differentials by increasing the amount of conversion, alteration, and repair work assigned to naval shipyards. If all factors involved in these assignments were to permit an increase from the current statutory level of 65 percent to a somewhat higher level, it is estimated that an annual savings of several million dollars could be achieved. This results from the fact that the naval shipyards which must be maintained for strategic and operational reasons have a high fixed overhead cost which continues regardless of workload assigned.

SECTION 304. INCLUSION OF TRACKED COMBAT VEHICLES IN 412(b)

This section will require procurement authorization for "tracked vehicles" in addition to aircraft, missiles and naval vessels. For fiscal year 1966 about $200 million would be involved.

SECTION 305. EMERGENCY FUND

Each year Congress makes available to the Department of Defense an emergency fund for research and development. It has varied between $124 and $150 million. The House Committee believes that this emergency fund should be authorized in the same fashion as all other funds for research and development.

SECTION 306. CHANGING NAME OF MATS

The House committee believes that MATS is too important to be designated as a "service." Military airlift command is both descriptive of its true function and provides recognition of its vital missions. The cost of making this change is estimated to be $173,800. This change in name is to be effective as of January 1, 1966.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. RIVERS of South Carolina. I am delighted to yield to the distinguished gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I have one question to ask of the gentleman. Were all amendments adopted in the conference germane to the bill?

Mr. RIVERS of South Carolina. Every one of them. They were contained in either one of the bills of the respective bodies.

(Mr. RIVERS of South Carolina asked and was given permission to revise and extend his remarks.)

Mr. DUNCAN of Oregon. Mr. Speaker, I should like the RECORD to show my disagreement with the elimination of the 65–35 split in allocating conversion alteration and repair work between naval and private shipyards. I have studied a

number of cost studies and reports and believe, contrary to what the Defense Department contends, that the facts show such work can be done more economically in the private than in the Navy yards.

Beyond the question of economy is the need from a defense standpoint to maintain the skills and facilities in both private and public yards. The reason for the dispute, in my opinion, is the low level of new construction and modernization activity in both the naval and merchant vessel categories—a trend which results in a continuing and progressive deterioration of our strength on the ocean vis-a-vis our principal protagonist, Soviet Russia.

Ocean tonnage is and will continue to be vital to our national defense for a long time to come. There is enough work that needs to be done to keep all of our yards—naval and private—busy. If this is done an arbitrary split becomes unnecessary.

I am told that the Navy's plans and projections for fiscal 1966 are such that the dollar volume of work allocated to private yards will be approximately the same during 1966. I certainly hope so and shall watch with interest. I hope that at least the equivalent volume can be placed on competitive private bids in 1966 and subsequent years. If not, the private shipyards in Oregon and their employees will be out of business and out of work.

GENERAL LEAVE TO EXTEND

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to extend their remarks on this bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

BIENHOA INCIDENT

(Mr. RIVERS of South Carolina asked and was given permission to address the House for 5 minutes.)

Mr. RIVERS of South Carolina. Mr. Speaker, I should like to make the following statement in keeping with the promise of the Committee on Armed Services.

Mr. Speaker, today the House Armed Services Committee received a secret briefing by Lieutenant General Martin, the Inspector General of the Air Force who headed up a team of experts to investigate the incident in Vietnam which I discussed here on May 18, 1965.

I wish to take this opportunity to report to all Members of this body that the committee was impressed with the thoroughness of the investigation which is being conducted by a team of experienced and highly qualified personnel.

It was apparent from the briefing which we received that they were leaving no stone unturned in their efforts to determine the cause of this most unfortunate incident.

However, as of this moment, final determinations have not been arrived at and the investigation is being continued.

Extensive safety surveys are underway at all of the bases in Vietnam, concentrating on the handling and loading of munitions, to insure that maximum practicable safety precautions are observed.

There were 27 U.S. Air Force personnel killed and 76 injured, 20 U.S. Army personnel injured, and 1 Vietnamese killed; 12 U.S. aircraft were destroyed and 6 damaged. Two aircraft of the Vietnamese Air Force were destroyed, 30 damaged.

There was no evidence which would indicate an overt attack initiated the accident sequence.

There was no evidence that sabotage played a part in this incident. However, it has not been completely ruled out.

The security of the base was and is considered satisfactory.

There was no evidence to indicate that poor maintenance was responsible for the accident.

An engine starter may have caused an accident of this type and is still under suspect.

The delay fuses installed in some of the bombs when the accident occurred may also have caused the accident and remains in the suspect area. A special laboratory type analysis of these fuses is currently underway. In the meantime, the use of such fuses has been suspended.

Under the circumstances, I wish to again reiterate that this is no time for speculation or for any discussion of military matters which could give aid and comfort to our enemy and possibly harm to our military people who are fighting and dying for us in Vietnam.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, I just wanted to concur in the remarks of the gentleman from South Carolina [Mr. RIVERS] in regard to this investigation. The Defense Subcommittee of the Committee on Appropriations has listened to a presentation of this matter and I feel that the statement which has been made by the gentleman from South Carolina, the chairman of the Committee on Armed Services, is a very fair and important statement.

THE RIGHT REVEREND WILLIAM F. CREIGHTON, EPISCOPAL BISHOP OF THE WASHINGTON DIOCESE

(Mr. REUSS asked and was given permission to address the House for 1 minute.)

Mr. REUSS. Mr. Speaker, as an Episcopalian I rise to defend the Right Reverend William F. Creighton, Episcopal Bishop of the Washington diocese, against what was said about him and his May 17 speech last week by two of my distinguished colleagues, the gentleman from New York [Mr. GOODELL] and the gentleman from South Carolina [Mr. RIVERS], who are both also of the Episcopal faith.

In that speech, Bishop Creighton expressed his opposition to the current rule in the District of Columbia which denies children of an unemployed father the benefits of Federal aid to dependent children payments, although children similarly situated are eligible for such payments in every one of the 50 States of the Union. In making his point, the bishop had something to say about a Member of the other body—some reference or other to bleeding hearts and little children. For this, the bishop was berated for expressing "personal venom," and for departing from the standard of "those who speak from a position in society which clothes them with a high degree of immunity." The bishop was told that "he should keep his nose out of it."

At the risk of sounding like just another organization man, I am for the bishop. I am very proud that he does concern himself with social issues like the care of the children of the unemployed, and that he and his Suffragan Bishop, Paul Moore, Jr., have identified themselves with the forces in this community—Catholic, Protestant, and Jewish—who are concerned with bringing about better treatment for children who are condemned to poverty through no fault of their own.

Perhaps the bishop's figure of speech was not the most felicitous he could have chosen. But I would point out that when I last looked at the Constitution it was Members of Congress who are given legal immunity for what they say in debate, not bishops.

As far as I am concerned, Bishop Creighton is a gentle and saintly man. We should be glad to hear from him.

BETTER HOUSING FOR MIGRANT WORKERS

(Mr. TODD asked and was given permission to address the House for 1 minute.)

Mr. TODD. Mr. Speaker, one of the pressing needs of our migrant farmworkers, upon whom the farmers of many of our States depend to harvest their seasonal crops, is better housing. These workers have low incomes, move from locality to locality with the maturing crops, and must depend upon the local housing supplied them in the areas in which they are temporarily employed.

In many States, and particularly in my own State of Michigan, the season is short—lasting at the most 6 to 10 weeks—and the independent farmers themselves are in no financial position to construct housing for labor for their own particular crop. For example, one grower may harvest strawberries, another cherries, another blueberries, another pickles, and another apples. To assist in building housing to meet the need of such an agricultural district, Government help is required. Without it, the consequence is inevitable: The farms will become corporate instead of family, and encompass enough land and enough different crops to make it economically feasible to the corporation to construct such housing.

I believe better housing is urgently needed for our migrant workers. But I also believe the family farm should not

be replaced with the corporate farm in order to provide it. This is why we must have Government assistance.

Enabling legislation to provide this assistance was passed last year, and the appropriation before us, I am happy to say, does include a $2 million provision to further the housing grant program which had previously been authorized. This program is to be run through State and local governments and nonprofit organizations by the Farmers Home Administration.

I do want to note, however, that the Department's original request was for $5 million. I had hoped that this request would have been granted in full by the committee, in view of the obvious need both to the workers and to the family farms employing them.

I make these remarks today in the hope that when funds for this program are next considered the appropriation will be better balanced with the need.

VICE PRESIDENT SALUTES CHAIRMAN PATMAN

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to include a speech delivered by Hon. WRIGHT PATMAN.)

Mr. ANNUNZIO. Mr. Speaker, it would be impossible to celebrate National Small Business Week without honoring one of our colleagues who I personally feel has done more for small business than any other man in this country. I, of course, refer to the distinguished chairman of the Banking and Currency Committee, the Honorable WRIGHT PATMAN, of Texas.

Let me assure you that my view of the gentleman from Texas' [Mr. PATMAN] small business achievements is shared by the administration. I think this can be best illustrated by a greeting extended from the Vice President of the United States, the Honorable HUBERT H. HUMPHREY, to Chairman PATMAN when the two met yesterday at the Small Business Administration's Small Business Subcontracting Conference here in Washington. I would like to quote the Vice President's greeting:

> And here's WRIGHT PATMAN, the man who has done more for small business than any other person in America.

In my short tenure as a member of the Banking and Currency Committee, I have come to wholeheartedly concur in the expression of the Vice President.

Once again, Mr. Speaker, WRIGHT PATMAN is standing up for small business by speaking out against those who would exempt bank mergers from antitrust laws. Of course, we all know that antitrust laws enable the small businessman to compete effectively against large business. Without such laws, small business could not survive.

I am inserting in the RECORD a copy of Chairman PATMAN's speech given yesterday to the Small Business Subcontracting Conference in which he speaks out against exempting bank mergers from antitrust laws. I commend this address to my colleagues:

STATEMENT BY CHAIRMAN WRIGHT PATMAN, DEMOCRAT, OF TEXAS, AT THE SBA SMALL BUSINESS SUBCONTRACTING CONFERENCE, WASHINGTON HILTON HOTEL, MAY 25, 1965

I am very glad to be here to participate in the SBA Small Business Subcontracting Conference. In my opinion, the 1961 amendment to the Small Business Act providing small business set asides in large Government contracts was a new lease on life to small business. I had the privilege of serving as chairman of the House Select Committee on Small Business as well as on the Banking and Currency Committee to which, of course, is referred small business legislation, so I fully realize the importance of small business subcontracts. I am hopeful that small business will enjoy an ever-growing share of Government business.

At the same time, however, small businessmen, as well as everyone else interested in small business problems, must be aware of all other developments that bear upon competition and free enterprise, not just small business alone. My own efforts involve two basic needs of free enterprise: (1) an adequate supply of business credit at reasonable rates of interest; (2) strong antimonopoly laws and vigorous but fair enforcement of such laws.

While I suppose that my views on monetary reform are no secret, I would like to share with you my concern over current moves to weaken the antimonopoly laws.

Monopolies have been like a plague upon mankind throughout our history. Unchecked, they inevitably lead to a police state as individual initiative and freedom of choice fall by the wayside. Also, competitive free enterprise will disappear. The only excuse for permitting a monopoly to exist is where competitive free enterprise would be simply unworkable, the local telephone company, power company, or gas company are obvious examples. Such industries are frequently exempted from the antimonopoly laws as regulated public utilities. Their franchise, territory, quality, and quantity of service and even their charges and profits are subject to constant Government regulation because they are public service utilities. Since there is no element of free competition to spur on such a monopoly to meet public needs, Government must see that these needs are met.

Now the banking industry is definitely not a regulated industry. I am happy to report that at present there is a great spirit of competitive free enterprise among our banks in most communities, although I am disturbed by the fact that we have today exactly one-half the number of banks we had some 30-odd years ago. Banking is not a regulated industry; banking is a supervised industry. The States and the Federal Government share in the chartering of new banks, examination of their loan portfolios; establish merging and branching rules; and supervise banking matters in general, particularly with respect to liquidity and solvency. But banks do not enjoy territorial monopolies like public utilities do, although some would like that, I am sure. They do, however, enjoy a franchise to create money on a 10-to-1 ratio—$10 in loans for every $1 in reserves—and this is certainly a tremendous responsibility as well as a privilege. And in this sense banks are truly public utilities. But bankers are not told how much interest they can charge on loans. And bankers are not told what is the maximum profit they can earn. So, although banks enjoy a monopoly, a precious franchise to create money both for the Government as well as for the people of the United States, banking is still a free enterprise industry. I would like to see it stay that way, and I am sure that most people will agree.

This is why I am disturbed by the flurry of activity on the part of big eastern banking interests and their Washington lobby to exempt banking from Justice Department administration of our antimonopoly laws. Banks are already exempt from regulation by the Federal Trade Commission and by the Securities and Exchange Commission. And, as I stated a moment ago, banking is a competitive industry, and not a regulated monopolistic industry. I cannot believe that those who at this very moment are lobbying frantically for this antimonopoly exemption really want banking to be regulated like a public utility. Do these people want fixed prices and fixed profits for banking? Does freedom from vigorous but fair antimonopoly enforcement mean that much to these people? I, for one, would prefer to preserve free enterprise in banking.

I do not believe that the proponents of this legislation have really thought this thing through. Such a drastic exemption from the antitrust laws can only be justified for a fully regulated industry. I certainly oppose this for banking, and I am truly surprised that certain banking interests are pursuing this course. Such a move opens the door for further erosion of our free enterprise system. Now this is not to say that I would close the door to all consideration of improvements of our antimonopoly administration. We must always strive for modernization and efficiency with minimum disturbance to business, while always recognizing that the broad public interest must be served first. As a matter of fact, I would certainly expect the House Banking and Currency Committee, of which I am chairman, to look into during the 89th Congress the general question of competition in the banking industry. Not only should we examine merger policy, but also branching, new bank charters, chain banking, interlocking directorates, and possibly other questions.

Our committee has a full schedule at present and these are not matters that you should rush into. Fundamental changes in public policy must be subjected to the utmost scrutiny and careful consideration. We have no emergency in the banking industry, although not everything is, of course, as it should be.

Superconcentration in banking can only hurt the small business which depends upon bank credit to survive. Recently I was informed of a case out west involving a long-established plumbing contractor who lost his line of credit when a holding company took over the local bank. This is not just an isolated case, I assure you.

So, I think all businessmen—whether a banker or a nonbanker, big business or small business—must be informed on serious matters such as this so that through extreme haste drastic changes are not wrought in our free enterprise system for which we all may be sorry.

ANTIDUMPING ACT AMENDMENT

(Mr. HERLONG asked and was given permission to extend his remarks at this point.)

Mr. HERLONG. Mr. Speaker, tomorrow marks the 44th anniversary of the enactment into law of the U.S. Antidumping Act of 1921. It provides a significant time for me and many of my colleagues to salute the fair and equitable concept of a law designed to deal with the problem of unfair competition from dumped imports without resorting to the use of tariffs or quotas.

In keeping with the moderate tenor of the original act, I have the privilege today of introducing an amendment to

cause such offenses involve a possession crime, at the heart of each one is not whether the defendant is guilty or innocent but how the arresting officer obtained the evidence.

"No one is trying to abandon the fourth amendment," says Assistant District Attorney Irving Lang. "What we do want are decisions that recognize reasonable search and seizure."

The problem is that present search-and-seizure laws, say police, do not take into account the facts of crime fighting in an urban environment. The same laws that protect a man's farm in an isolated area also cover the basement of a tenement house in which someone has placed a bed. It is, courts have ruled, a home. Though neighbors may complain—as in one recent case—that addicts are using basements for a "shooting gallery," police cannot enter the premises without a warrant. In order to get it, someone must sign a complaint. Few citizens in New York sign such complaints.

Legal maneuvering may go on endlessly in most cases, but the large majority end in the same way.

This one was the last case Albano and Orlick had on that day and as they started toward the supreme court on the 11th floor of criminal court, where felony cases are tried, Irving Lang joined them.

"You want to see delay? Watch this," someone said. The defendant, dressed in a blue business suit, was a typical small-scale user-seller, except that unlike most addicts he was fat, not thin and emaciated. The charge was violation of section 1751 of the penal law, possession of narcotics. Orlick and Albano, with a warrant, had arrested the man in his apartment and found $500 worth of narcotics.

He had had nine postponements, and today, his lawyer was complaining that he in fact had been ready to go to trial all along.

A DAY'S WORK

"Every lawyer that screams for a trial, I'm ready to give a trial," the judge said. "Stand back, gentlemen."

As the lawyer murmured "Wait a minute," the judge instructed his court attendant to have 50 jurors at 12:30.

Ten minutes later, the defense lawyer found Irving Lang. No, Mr. Lang did not think the case should be postponed. But under the circumstances, he would accept a plea. As in the huge majority of cases that do not go to trial, the plea was to "attempted felonious possession."

It had happened a hundred times before, and now the court clerk was standing in front of the defendant reading a statement that explained to the defendant that a plea of guilty was equivalent to conviction by a jury of the charge of which he was accused. It sounded as though he were reading the back of a parking ticket. The sentence that goes with "attempted felony possession" is 5 years.

"It's a good sentence," says Irving Lang.

Outside the courtroom, Albano and Orlick, who had spent 4 hours in the criminal court building that morning and still had a full day's regular duty ahead of them, unhooked the badges from their lapels and pulled on their coats.

"Listen," said a third detective, who joined the group, "whatever you do, don't say we criticized any judges. All they have to do is think an officer is critical of them and he's ruined in their court for good."

Albano, who believes it is a policeman's job to lock people up that break the law, shrugged as if it were no different than any other day's work.

"We pick up the dirt from the streets," he said, "and we throw it into a washing machine. It gets churned up and soft-soaped, then in 30 days or 60 days or once in a while, a year, it's back out on the street. No matter how often you throw it in the machine, it always comes back the same way: still dirty. What do we do? Arrest 'em again. Then maybe they kill somebody and we can lock 'em up and not worry about what's going to happen with 'em for a while. You think the public cares? Not for a minute, until somebody breaks in and bats them over the head. Then they get mad. They get real mad at the police."

Irving Lang puts the same thing another way:

"There is," he says, "need for an agonizing reappraisal of the relationship between the rights of society and the rights of society's enemies."

NEW YORK CITY IN CRISIS—THE PENALTIES ON DOPE ARRESTS

Section 1751 of the penal law is basic to the prosecution of narcotics cases in New York State. Prosecutors believe that in principle it provides adequate penalties for narcotics pushers and sellers, and yet gives judges sufficient scope of punishment in dealing with convicted felons.

These are its provisions:

For actual sale of heroin or marijuana, first offense: A minimum sentence of 5 years and a maximum of 15 years. A judge who decides to inflict a maximum penalty on an offender may sentence him to 7½ to 15 years. A special provision in the law provides for a minimum penalty of 7 years for sale to minors. A convicted seller is eligible for parole after serving two-thirds of his minimum sentence.

The State's law presumes intent to sell if a person is arrested with certain quantities and the penalties are identical with those for the actual sale.

These quantities are 100 or more marijuana cigarettes; 1 ounce or more of heroin, morphine, or cocaine; 2 or more ounces of raw or prepared opium.

Felonious possession, involving lesser weights, is circumscribed by another section of the law. The quantities are 25 or more marijuana cigarettes; one-eighth ounce of any mixture containing 1 percent or more of heroin, morphine, or cocaine or one-half ounce of raw or prepared opium.

Penalties for felonious possession, first offense, are a minimum of 3 years and a maximum of 10.

For second and third offenses in all felony cases the law provides a simple rule: the minimum becomes half the previous maximum sentence and the maximum doubles. It means a second offense for felonious possession provides a judge with a scope of sentence between 5 to 20 years.

Anyone convicted of three narcotics felonies is subject to a mandatory life sentence.

The law in actual practice is something else. Because no legal distinction is made between small scale user-sellers and wholesalers who turn huge profits in heroin, neither prosecutors nor judges feel justified in thinking in terms of maximum penalties for all convicted criminals. Smaller fry are permitted to plead to a lesser charge, technically called "attempted felonious possession," which automatically cuts the scope of sentencing in half.

But most convicted first offenders, in practice, are not even sentenced to 18 months. Unless it is proven they are large sellers, the charge is invariably suspended. Other defendants, in order to ease crowded court calendars, are permitted to take their cases out of supreme court, where all felonies are heard, and plead guilty to misdemeanor charges. Sentencing then takes place in criminal court.

Conviction of a narcotics misdemeanor—technically possession of lessen than felony weights—permits the judge to sentence a defendant up to a year or send him to the penitentiary for an indefinite sentence (3 years). A second narcotics misdemeanor carries a mandatory 6-month minimum sentence, but even that can be suspended.

In misdemeanor narcotics cases, a suspended sentence is invariably the case for all first offenders. Addicts can and have gotten as many as 10 suspended sentences, because judges are convinced they are actually in the process of quitting drugs and have suffered temporary relapses that led to their arrest.

Those that are sentenced are remanded to the department of corrections and sent to a city jail or State prison. First felony offenders, if they are under 30, may be sent to Elmira Reformatory for up to 5 years.

Under the 1963 Metcalf-Voelker law, a narcotics offender arraigned for a misdemeanor or first offense, may elect to be treated under article IX of the State mental hygiene law. Thus, if he is certified by a doctor as an addict and he meets certain requirements in the law, in lieu of prosecution, he may be sent to a special State hospital.

When the hospital certifies he is ready for parole—usually after 3 or 4 months—the addict is instructed to report to a parole officer or special center at regular intervals. The full term of commitment and parole, by law, may not exceed 36 months. If the addict violates parole, he is subject to prosecution under the original charge. If he does not, the record of his arrest is destroyed.

But in practice, article IX, most experts say, does not work. Less than 10 percent of arrested addicts seek civil commitment. Others ignore it when arrested for lesser charges on which they may get a suspended sentence. They seek civil commitment only when they believe they are liable to longer prison terms. It is easier, addicts say, to serve a 30-day or even 6-month jail sentence than to get "hooked by the parole board" for 3 years.

Within the courts, though the law is clear as to who is eligible for commitment, judges are not. Addicts are arbitrarily accepted or rejected.

It is also a felony to conspire to sell narcotics, forge a doctor's prescription, or hire a child under 16 to transport morphine, cocaine, heroin, or opium.

Sale or possession of barbiturates, for the first offense, is a misdemeanor. The second offense is a felony. Sale or illegal possession of amphetamines is a misdemeanor.

It is also a misdemeanor to possess a hypodermic syringe without a license or to possess amphetamines in any form except the original prescription capsule in which they were issued.

Under Federal law, illegal possession of any quantity of narcotics or cocaine is punishable with a sentence of from 2 to 10 years for first offenders. Judges have the discretion to suspend sentence or permit parole when a first offense is involved. Second and third convictions carry a mandatory sentence of from 5 to 20 years and 10 to 40 years, without parole.

Possession, and, in fact, sales of narcotics come under Federal law when the arresting officer is an agent of the Federal Bureau of Narcotics, an agency of the Treasury Department. Conviction under Federal law for sales of naroctics means a mandatory minimum sentence of 5 years, first offense, and 10 years for second offenders.

Virtually the same penalties for possession or the sale of marihuana were written into Federal law in 1938 when Congress enacted the Marihuana Act.

On the Federal level, illegal sales of amphetamines and benzadrine are controlled under the Pure Food and Drug Act.

Physicians who legally administer narcotics, along with druggists, manufacturers, and wholesalers, must purchase an opium

tax stamp with the approval of the Federal Bureau of Narcotics.

(Mr. MULTER (at the request of Mr. Dow) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. MULTER'S remarks will appear hereafter in the Appendix.]

AGRICULTURE APPROPRIATIONS

(Mr. OTTINGER (at the request of Mr. Dow) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the agriculture appropriation (H.R. 8370) before the House today poses a very serious and difficult problem.

It combines in one bill funds to support important public programs and funds to continue the ill-advised, harmful, and unnecessary practice of subsidizing private enterprise on our farms.

I cannot too strongly condemn the practice of combining such disparate programs in one bill. It faces the legislator with the impossible situation: deciding whether to vote for thoroughly objectionable programs just to continue needed programs or to vote "nay" and throw out the baby with the bath.

I voted for this bill today because it provided funds for the school lunch program, Public Law 480, the food stamp plan, and a number of beneficial conservation and development activities that are indispensable to our national health and welfare.

I am deeply troubled that in doing so, I was also voting to continue the deplorable programs of subsidies and supports that burden our taxpayers, weaken our farm economy, and belie the economic principles upon which our Nation is based.

If I had been given an opportunity to vote on the subsidy program alone, I would have voted "nay." I want to serve notice that wrapping such objectionable programs in the same bill with programs that are generally beneficial will not always serve to get them passed.

The cost to the American people of the farm subsidies in this bill total more than $4 billion.

Many of these subsidies were initiated originally as temporary measures to cope with emergency conditions. The emergency has passed—in some cases more than 15 years ago—but the program lingers on and the cost to the taxpayer and the consumer is tremendous.

Unfortunately, large segments of farming community have come to depend upon the subsidies administered through the Commodity Credit Corporation, acreage diversion programs, price support and loan-purchase arrangements. These alien concepts of support and subsidy are becoming so embedded in the economy of our agricultural community that to stop them suddenly could result in economic disaster.

But we will never free ourselves of this burden by placidly voting new subsidies each year. We must have programs that are aimed at returning our farm economy to sound self-sufficiency—and we must start them now.

I recognize that the total appropriation in this bill is more than $1 billion less than the appropriation for 1965 and I commend the Agriculture Department and the House Agriculture Committee for their excellent efforts to hold the line on costs.

But I want to point out that the programs for which this appropriation is made today do not reflect any new departures that would attack the concept of subsidization. Nor is any such planning evidenced in the proposals for the omnibus farm bill now being studied by the Agricultural Committee.

Mr. Speaker, the very idea of subsidies is distateful to Americans. I am sure that it is as alien to the farmer as it is to all other Americans. We can and must develop programs that will return our farm communities to economical operation—and we must do it soon.

HUDSON RIVER—A NEW CONSERVATION CHALLENGE

(Mr. OTTINGER (at the request of Mr. Dow) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, the distinguished chairman of the House Interior and Insular Affairs Committee the gentleman from Colorado, Congressman WAYNE ASPINALL, has announced that hearings on my bill to establish a Hudson Highlands National Scenic Riverway—H.R. 3012—will be held on July 9 and 10. I am pleased to learn that my distinguished colleaague, the gentleman from Alaska, RALPH J. RIVERS, chairman of the National Parks and Recreation Subcommittee, will hold these hearings in Westchester and Putnam Counties along the Hudson. It is most appropriate that the committee consider this bill right at the site of the majestic Hudson Gorge and Highlands.

In preparation for the hearings, a group of citizens have formed into a voluntary organization known as the Citizens Committee for the Hudson River. One of the members of the executive committee of this organization, Mr. Irving Like, has prepared an excellent study of the history of the Hudson.

Mr. Like, who played an important role in establishing the Fire Island National Seashore, is one of New York's most active and respected conservationists and I think that his study deserves the widest possible attention.

Over the next few days, I would like to bring to the attention of this House and the Nation certain important sections of this paper. The first part follows:

HUDSON RIVER: NEW CONSERVATION CHALLENGE—PART I

In the White House message on natural beauty to the Congress, delivered February 8, 1965, the President said, regarding rivers:

"Those who first settled this continent found much to marvel at. Nothing was a greater source of wonder and amazement than the power and majesty of American rivers. They occupy a central place in myth and legend, folklore and literature."

The President went on to say:

"Yet even this seemingly indestructible natural resource is in danger."

And then he sounded the alarm:

"But the time has also come to identify and preserve free flowing stretches of our great scenic rivers before a growth and development make the beauty of the unspoiled waterway a memory."

The President mentioned only two rivers by name. One was the Potomac and the other was the Hudson. He said that he hoped a program would be devised which would clean up these rivers so that they could be used for boating, swimming, and fishing, protect their natural beauties by the acquisition of scenic easements, zoning, or other measures, and provide adequate recreation facilities. He described rivers such as these as:

"They are potentially the greatest single source of pleasure for those who live in most of our metropolitan areas."

THE HUDSON RIVER

The beauty of the Hudson River is legendary. It has been called the Rhine of America, and its hymns of praise are countless, perhaps best sung by its best known biographer, Carl Carmer in his book "The Hudson."

Ever since its discovery in 1524 by Giovanni da Verrazano, the Hudson has played an important part in the history of America. Its place, names, patroons, castles, Revolutionary War engagements, Robert Fulton's first steamboat in 1807, Washington Irving's immortal literature, its bustling trade, gateway to the Mohawk and the west of Canada, tourist steamers, West Point, Hyde Park, all bespeak a colorful panorama of Americana that every schoolboy is weaned on.

The great scenic values of the Hudson highlands region and their park and recreation potential were early recognized by the Congress of the United States when, on August 19, 1937, it approved a compact between New York and New Jersey which earmarked this area for permanent park purposes (c.706 50 Stat. 719).

The Department of Interior made this comment on the compact legislation, in a letter on July 28, 1937, to the chairman of the Committee on Interstate and Foreign Commerce of the House of Representatives:

"The proposed legislation is in harmony with the act of June 23, 1936 (49 Stat. 1894, Chapter 375). * * * Palisades Interstate Park is the first park in which two States have united for joint action. It represents a cooperative enterprise of unparalleled success. The attendance in the park is greater than in any other park in the United States. * * * We also believe that the provisions of the compact will be of inestimable value to the future of this great cooperative undertaking."

In its publication entitled "60 Years of Park Cooperation, 1900–60," the Palisades Interstate Park Commission calls this park the most notable example in the United States of interstate cooperation for conservation of scenery and promotion of outdoor recreation.

The Palisades Interstate Park Commission was the agency charged with the responsibility of carrying out the objectives of the compact. It was vested with the power to and charged with the duty of selecting and locating such mountainous lands along and adjacent to the west bank of the Hudson River in Rockland and Orange Counties, as soon as it shall deem it feasible and advisable, and which are proper and necessary for the purpose of extending the limits of the park (New York State conservation law, sec. 747), and to lay it out in such manner that it shall form a continuous park along the entire Hudson River front up to a point south of the city of Newburgh (sec. 748).

Between 1900 and 1937, New York State spent a total of $22,764,735.38, New Jersey,

89TH CONGRESS
1ST SESSION

H. R. 8370

IN THE SENATE OF THE UNITED STATES

MAY 27, 1965

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes; namely:

DEPARTMENT OF AGRICULTURE

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, marketing, nutrition and consumer use, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work: *Provided,* That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further,* That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further,* That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed $20,000, except for six buildings to be constructed or improved at a cost not to exceed $45,000 each, and the cost of altering any one building

during the fiscal year shall not exceed $7,500 or 7.5 per centum of the cost of the building, whichever is greater: *Provided further,* That the limitations on alterations contained in this Act shall not apply to a total of $100,000 for facilities at Beltsville, Maryland:

Research: For research and demonstrations on the production and utilization of agricultural products; agricultural marketing and distribution, not otherwise provided for; home economics or nutrition and consumer use of agricultural and associated products; and related research and services; and for acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed $100; $114,394,000, of which not to exceed $10,393,000 shall remain available until expended for construction, alteration, and improvement of facilities, without regard to limitations contained herein, and in addition not to exceed $24,600,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88–250 to be transferred to and merged with this appropriation: *Provided,* That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113 (a)) ;

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for

carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b–c), $71,119,000, of which $1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions: *Provided,* That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by any State of at least 40 per centum: *Provided further,* That, in addition, in emergencies which threaten the livestock or poultry industries of the country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for expenses in accordance with the Act of February 28, 1947, as amended, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts;

Special fund: To provide for additional labor, sub-

professional and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than $2,000,000 of the amount appropriated under this head for the previous fiscal year may be used by the Administrator of the Agricultural Research Service in departmental research programs in the current fiscal year, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments, in foreign currencies owed to or owned by the United States for market development research authorized by section 104(a) and for agricultural and forestry research and other functions related thereto authorized by section 104(k) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(a)(k)), to remain available until expended, $2,000,000: *Provided,* That this appropriation shall be available in addition to other appropriations for these purposes, for payments in the foregoing currencies: *Provided further,* That funds appropriated herein shall be used for payments in such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph: *Provided further,* That not to exceed $25,000 of

this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Cooperative State Research Service

payments and expenses

For payments to agricultural experiment stations, for grants for cooperative forestry research, for basic scientific research, and for facilities, and for other expenses, including $47,113,000 to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a–361i), including administration by the United States Department of Agriculture; $2,000,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a–582a–7); and not to exceed $400,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88–250 to be transferred and merged with this appropriation, for grants for support of basic scientific research under the Act approved September 6, 1958 (42 U.S.C. 1891–1893); $2,000,000 for grants for facilities under the Act approved July 22, 1963 (77 Stat. 90); $310,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and

$272,000 for necessary expenses of the Cooperative State Research Service, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $50,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); in all, $51,695,000.

Extension Service

Cooperative extension work, payments and expenses

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341–349), $71,230,000; and payments and contracts for such work under section 204(b)–205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623–1624), $1,570,000; in all, $72,800,000: *Provided,* That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement and Employees' Compensation costs for extension agents: For cost of employer's share of Federal retirement and for reimbursement for benefits paid from the Em-

ployees' Compensation Fund for cooperative extension employees, $7,857,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, $3,113,000.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341–349), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, $2,565,000.

Farmer Cooperative Service

salaries and expenses

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451–457), and for conducting research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), $1,141,000.

Soil Conservation Service

conservation operations

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irriga-

tion and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soil; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, $105,373,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed $2,500, except for one building to be constructed at a cost not to exceed $25,000 and eight buildings to be constructed or improved at a cost not to exceed $15,000 per building and except that alterations or improvements to other existing permanent buildings costing $2,500 or more may be made in any fiscal year in an amount not to exceed $500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a–590f) in demonstration projects: *Provided further*, That this

appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $5,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service.

WATERSHED PLANNING

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001–1008), to remain available until expended, $5,721,000, with which shall be merged the unexpended balances of funds heretofore appropriated under this head: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $50,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

WATERSHED PROTECTION

For necessary expenses to conduct river basin surveys and investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and

changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001–1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), to remain available until expended, $64,171,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further,* That not to exceed $4,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

FLOOD PREVENTION

For necessary expenses, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701–709, 16 U.S.C. 1006a), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including funds for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $100,000 for em-

ployment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain available until expended; $25,417,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That not to exceed $200,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), $14,864,000, to remain available until expended.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development, and for sound land use, pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), $2,813,000, to remain available until expended: *Provided*, That not to exceed $1,000,000 of such amount shall be available for loans and related expenses under subtitle A of the Consolidated Farmers Home Administration Act of 1961, as

amended: *Provided further,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $50,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Economic Research Service

salaries and expenses

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; $11,072,000: *Provided,* That not less than $350,000 of the funds contained in this ap-

propriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not less than $145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

Statistical Reporting Service

salaries and expenses

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, $13,595,000: *Provided*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop: *Provided further*, That this appropriation shall be available

for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $40,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Consumer and Marketing Service

consumer protective, marketing, and regulatory programs

For expenses necessary to carry on services related to consumer protection, agricultural marketing and distribution, and regulatory programs, as authorized by law, and for administration and coordination of payments to States; and this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $25,000 shall be available for employment at rates not to exceed $75 per diem under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946; $75,852,000.

payments to states and possessions

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for mar-

keting activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $1,500,000.

SPECIAL MILK PROGRAM

For necessary expenses to carry out the Special Milk Program, as authorized by the Act of August 8, 1961 (7 U.S.C. 1446, note), $100,000,000.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act, as amended (42 U.S.C. 1751–1760), $155,000,000: *Provided,* That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further,* That $45,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act.

FOOD STAMP PROGRAM

For necessary expenses of the food stamp program pursuant to the Food Stamp Act of 1964, $100,000,000.

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(SECTION 32)

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for

(1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, and (3) not more than $2,924,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $35,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), $20,574,000: *Provided,* That not less than $255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further,* That, in addition, not to exceed $3,117,000 of the funds appropriated by

section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

Amounts heretofore appropriated under this head shall be available for payments in any foreign currencies owed to or owned by the United States.

Commodity Exchange Authority

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1–17a), $1,169,000.

Agricultural Stabilization and Conservation Service

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301–1393); Sugar Act of 1948, as amended (7 U.S.C. 1101–1161); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), 16(h), and 17 of the Soil Conservation and

Domestic Allotment Act, as amended (16 U.S.C. 590g–590q; 7 U.S.C. 1010–1011); subtitles B and C of the Soil Bank Act (7 U.S.C. 1831–1837, 1802–1814, and 1816); and laws pertaining to the Commodity Credit Corporation, $111,714,000: *Provided,* That, in addition, not to exceed $96,615,000 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed $34,874,000 under the limitation on Commodity Credit Corporation administrative expenses): *Provided further,* That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further,* That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101–1161),

$95,000,000, to remain available until June 30 of the next succeeding fiscal year.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g–590(o), 590p(a), and 590q), including not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, $220,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the programs of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Related Agencies Appropriation Acts, 1964 and 1965, carried out during the period July 1, 1963, to December 31, 1965, inclusive: *Provided*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now

designated as Wetland Types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior, Fish and Wildlife Service Circular 39, Wetlands of the United States, 1956: *Provided further,* That necessary amounts shall be available for administrative expenses in connection with the formulation and administration of the 1966 program of soil-building and soil- and water-conserving practices, including related wildlife conserving practices, under the Act of February 29, 1936, as amended (amounting to $220,000,000, excluding administration, except that no participant shall receive more than $2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further,* That not to exceed 5 per centum of the allocation for the current year's agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recom-

mendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current year's program $2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropria-

tions for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

CROPLAND CONVERSION PROGRAM

For necessary expenses to promote the conservation and economic use of land pursuant to the provisions of section 16(e) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590p), as amended, $7,500,000, to remain available until expended.

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831–1837, 1802–1814, and 1816), and to carry out liquidation activities for the acreage reserve program, to remain available until expended, $140,000,000, with which may be merged the unexpended balances of funds heretofore appropriated for soil bank programs: *Provided,* That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants.

EMERGENCY CONSERVATION MEASURES

For emergency conservation measures, to be used for the same purposes and subject to the same conditions as funds appropriated under this head in the Third Supplemental Appropriation Act, 1957, to remain available until expended, $4,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated for emergency conservation measures.

RURAL COMMUNITY DEVELOPMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Rural Community Development Service in providing leadership, coordination, liaison, and related services in the rural areas development activities of the Department, $500,000: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $3,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5

U.S.C. 574) and not to exceed $10,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), $10,416,000.

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, $4,139,000.

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, $1,689,000, of which total appropriation not to exceed $537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be available to be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Repre-

sentatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided,* That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $10,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

National Agricultural Library

salaries and expenses

For necessary expenses of the National Agricultural Library, $1,599,000: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $35,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

library facilities

For construction and furnishing of facilities for the National Agricultural Library, to remain available until expended, $7,000,000, with which shall be merged the

unexpended balance of funds heretofore appropriated under this head.

Office of Management Services

salaries and expenses

For necessary expenses to enable the Office of Management Services to provide management support services to selected agencies and offices of the Department of Agriculture, $2,483,000.

General Administration

salaries and expenses

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, including expenses of the National Agricultural Advisory Commission; repairs and alterations; and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, $3,848,000: *Provided,* That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C. 1001) : *Provided further,* That not to exceed $2,500 of this amount shall be available for official reception

and representation expenses, not otherwise provided for, as determined by the Secretary.

TITLE II—CREDIT AGENCIES

Rural Electrification Administration

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901–924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act, as follows: Rural electrification program, $350,000,000, of which $65,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone program, $97,000,000, of which $7,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural telephone program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed $500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $150,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), $11,934,000.

Farmers Home Administration

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335(a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, $40,000,000; and operating loans, $300,000,000, of which $50,000,000 shall be placed in reserve to be used only to the extent required during the current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program.

RURAL HOUSING FOR DOMESTIC FARM LABOR

For financial assistance to public nonprofit organizations for housing for domestic farm labor, pursuant to section 516

of the Housing Act of 1949, as amended (78 Stat. 796–798), $2,000,000, to remain available until expended.

RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, $1,200,000, to remain available until expended.

RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

For loans pursuant to section 515(a) of the Housing Act of 1949, as amended (42 U.S.C. 1485), including advances pursuant to section 335(a) of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1985) in connection with security for such loans, $2,500,000.

SALARIES AND EXPENSES

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, title V of the Housing Act of 1949, as amended (42 U.S.C. 1471–1484), and the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440–444); $42,733,000, together with not more than

$2,250,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farmers Home Administration Act of 1961, as amended, and section 514(b)(3) of the Housing Act of 1949, as amended: *Provided,* That, in addition, not to exceed $500,000 of the funds available for the various programs administered by this Agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) to meet unusual or heavy workload increases: *Provided further,* That no part of any funds in this paragraph may be used to administer a program which makes rural housing grants pursuant to section 504 of the Housing Act of 1949, as amended.

TITLE III—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the

budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, $7,478,000.

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed $4,138,000 of administrative and operating expenses may be paid from premium income: *Provided*, That in the event the Federal Crop Insurance Corporation Fund is insufficient to meet indemnity payments and other charges against such Fund, such additional amounts as may be necessary may be borrowed from the Commodity Credit Corporation under such terms and conditions as the Secretary may prescribe, but repayment of such amount shall include interest at a rate not less than the cost of money to the Commodity Credit Corporation for a comparable period.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

To partially reimburse the Commodity Credit Corporation for net realized losses sustained but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a–11, 713a–12), $2,300,000,000: *Provided*, That after June 30, 1964, the portion of borrowings from Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after June 30 of the fiscal year in

which such losses are realized, shall not bear interest and interest shall not be accrued or paid thereon.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided,* That not to exceed $36,650,000 shall be available for administrative expenses of the Corporation: *Provided further,* That $945,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further,* That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further,* That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.

PUBLIC LAW 480

For expenses during fiscal year 1966, not otherwise recoverable during such year, and unrecovered prior years' costs, including interest thereon, under titles I, II, and IV of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701–1709, 1721–1724, 1731–1736) $1,658,000,000, to remain available until expended for (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said Act, and (3) long-term supply contracts pursuant to title IV of said Act.

INTERNATIONAL WHEAT AGREEMENT

For expenses during fiscal year 1966 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641–1642), $27,544,000, to remain available until expended.

BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

For expenses during fiscal year 1966 and unrecovered prior years' costs related to strategic and other materials acquired as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540. Eighty-

fourth Congress (7 U.S.C. 1856), $30,000,000, to remain available until expended.

TITLE IV—RELATED AGENCIES

Farm Credit Administration

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $2,990,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

National Commission on Food Marketing

SALARIES AND EXPENSES

For necessary expenses of the National Commission on Food Marketing, established by Public Law 88–354, approved July 3, 1964, $750,000.

TITLE V—GENERAL PROVISIONS

Sec. 501. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed four hundred and sixty-four (464) passenger motor vehicles, of which four hundred and forty-eight (448) shall be for replacement only, and for the hire of such vehicles.

Sec. 502. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment

under the appropriation for the Foreign Agricultural Service.

SEC. 503. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

SEC. 504. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

SEC. 505. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 506. Not less than $1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621–1629; 42

U.S.C. 1891–1893), shall be available for contracting in accordance with said Acts.

This Act may be cited as the "Department of Agriculture and Related Agencies Appropriation Act, 1966".

Passed the House of Representatives May 26, 1965.

Attest: RALPH R. ROBERTS,

Clerk.

89TH CONGRESS
1ST SESSION

H. R. 8370

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

MAY 27, 1965
Read twice and referred to the Committee on Appropriations

H. R. 8370

AN ACT

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued June 28, 1965
For actions of June 25, 1965
89th-1st; No. 115

CONTENTS

Adjournment.....10
Agricultural appropriations.....1
Appropriations.....1,11
ASC committees.....14
Education.....7
Farm labor.....11,13
Farm program.....8,12
Fish and wildlife.....3
Food prices.....13
Intergovernmental relations.....4
Leave.....14
Manpower.....11
Poverty.....5
Reclamation.....2
Recreation.....3
Soil conservation programs.....6
Water projects.....3
Water supply.....9
Wheat.....12
Wildlife.....3

HIGHLIGHTS: Senate subcommittees approved agricultural appropriation bill and intergovernmental relations bill. House committee approved wheat title of farm bill.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1966. A subcommittee of the Appropriations Committee approved for full committee consideration with amendments this bill, H. R. 8370. p. D579

2. RECLAMATION. Passed as reported S. 602, to expand the scope of the Small Reclamation Projects Act so as to increase the authorization from $100 million to $200 million, raise the limitations on Federal loans and grants for single projects from 5 million to $7.5 million, make the interest rate the average rate payable to the Treasury rather than the average on long-term Government obligations; provide for fish and wildlife facilities; provide for affirmative committee action to accelerate projects, etc. pp. 14271-2

3. WATER PROJECTS. Agreed to the conference report on S. 1229, to provide uniform policies with respect to recreation and fish-wildlife benefits and costs of Federal multi-purpose water resource projects. This bill will now be sent to the President. pp. 14276-80

4. INTERGOVERNMENTAL RELATIONS. A subcommittee of the Government Operations Committee approved for full committee consideration with amendments S. 561, the proposed Intergovernmental Cooperation Act of 1965. p. D579

5. POVERTY. Sen. Nelson submitted, for himself and others, an amendment to S. 1759 to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964. pp. 14235-6

6. SOIL CONSERVATION. Sen. Murphy inserted a Calif. Legislature resolution urging Congress "to give the necessary and adequate support to the continuance of the agricultural conservation program and the Soil Conservation Service." p. 14258

7. EDUCATION. Sen. Yarborough inserted a letter supporting his GI education bill. p. 14258

8. FARM PROGRAM. Sen. Mondale stated, "We must not fail to find the way to permit our family farmers to operate on a business-like basis, with an adequate return on labor and capital," and inserted tables showing farm operating figures. pp. 14262-8

9. WATER. Sen. Kennedy, N. Y., inserted an article, "Water Ration in Northeast a Possibility." pp. 14268-9

10. RECESSED until Mon., June 28. p. 14309

HOUSE

11. APPROPRIATIONS. Received (June 23) supplemental appropriation estimates for the Labor Department as follows: $126,070,000 for manpower development and training activities; and $1,968,000 "to permit expansion of farm labor employment activities so that the Secretary of Labor may more quickly and accurately determine the need for temporary entry into the United States of foreign agricultural workers to aid in the planting and harvesting of crops." (H. Doc. 211)

12. WHEAT. The Agriculture Committee "approved the wheat title on H. R. 7097," the farm bill. p. D580

ITEM IN APPENDIX

13. FARM LABOR; FOOD PRICES. Extension of remarks of Rep. Talcott stating that "the manmade disaster caused by the withdrawal of competent labor is the true basic cause" of increased prices for food and inserting an article, "Food Prices--Where They're Headed." pp. A3345-6

BILL INTRODUCED

14. ASC COMMITTEES. S. 2206 by Sen. Monroney, to extend certain benefits of the Annual and Sick Leave Act, the Veterans' Preference Act, and the Classification Act to employees of county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act; to Post Office and Civil Service Committee.

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COMMITTEE HEARINGS JUNE 28:
Farm bill, S. Agriculture. Extension of poverty program, S. Labor. Foreign Aid authorization, conferees (exec). Continuing resolution, H. Appropriations (exec).

oOo

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued July 1, 1965
For actions of June 30, 1965
89th-1st; No. 118

CONTENTS

Adjournment.....27
Agricultural appropriations.....13
Agricultural exports....24
Air pollution.....41
Appropriations 8,13,14,36,37
Banking.....19
Beef exports.....9
Continuing appropriations.....37
[illegible]ry.....29
Debt limit.....35
Electrification.....16
Export control.....3,20
Farm labor.....25,30
Farm program.....33
Flag.....43
Foreign aid.....10,28
Foreign trade.3,9,19,20,24
Forest Service.....36
Forestry.....34,39
Freight cars.....15,40
Health.....17
Housing loans.....1,31
Labor standards.....11
Lands.....22
Loans.....1
Nominations.....21
Parkways.....42
Personnel.....26,32
Political activity.....26
Public Law 480.....38
Puerto Rico.....5
Referendum.....2
Reorganization.....23
Research.....4
Salt-water research.....4
Tariffs.....12
Taxation.....7
Trade fairs.....18
Transportation.....15
Water resources.....6
Wheat.....2,10

HIGHLIGHTS: House passed housing bill. Senate Committee voted to report USDA appropriation bill. House committee reported bill to postpone wheat referendum.

HOUSE

1. HOUSING LOANS. Passed, 245-169, with amendments H. R. 7984, the housing and urban development bill (pp. 14669-714). Agreed to an amendment by Rep. Hagen, Calif., to increase from 2,500 to 5,500 the population of a community which may be eligible for rural home loans through the Farmers Home Administration (pp. 14704-5). Title IX of the bill would provide a new $300,000,000-per-year program of insured housing loans under the Farmers Home Administration in rural areas.

2. WHEAT. The Agriculture Committee reported without amendment H. R. 9497, to extend until not later than 30 days after adjournment of the current session of Congress the date for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1966 (H. Rept. 571). p. 14764

3. EXPORT CONTROL. Concurred in the Senate amendments to H. R. 7105, to continue the Export Control Act for 4 years. This bill will now be sent to the President. p. 14716

4. SALT-WATER RESEARCH. The Interior and Insular Affairs Committee voted to report (but did not actually report), amended, H. R. 7092, to expand, extend, and accelerate the saline water conversion program of the Interior Department. p. D600

5. PUERTO RICO. The Interior and Insular Affairs Committee voted to report (but did not actually report) S. 2154, to amend the act establishing the Commission on the Status of Puerto Rico. p. D600

6. WATER RESOURCES. The conferees agreed to file (but did not actually file) a report on S. 21, the proposed Water Resources Planning Act. p. D601

7. TAXATION. The Judiciary Committee submitted a report on "State taxation of interstate commerce" (H. Rept. 565). p. 14764

8. D. C. APPROPRIATION BILL. Received the conference report on this bill, H. R. 6453 (H. Rept. 568). pp. 14762-3

9. BEEF EXPORTS. Rep. Olsen, Mont., reviewed and commended the efforts of producers, this Department, and others to increase beef exports, stating that beef does not get its share of our export market. pp. 14761-2

10. FOREIGN AID. Rep. Ryan objected to wheat aid to Egypt. p. 14738

11. LABOR STANDARDS. Rep. Roosevelt inserted responses given the subcommittee by the Labor Department in the course of hearings on amendments to the Fair Labor Standards Act including data on wages paid for work relating to agriculture. pp. 14724-8

12. TARIFFS. Rep. Sikes spoke in favor of his bill to amend the Trade Expansion Act, stating that we should reshape our trade policy to support the better health of our economy. pp. 14738-9

SENATE

13. AGRICULTURAL APPROPRIATION BILL, 1966. The "Daily Digest" states that the Appropriation Committee voted to report (but did not actually report_ this bil H. R. 8370. p. D597

14. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 7997 the independent offices appropriations bill, 1966, (S. Rept. 384). p. 14790

15. TRANSPORTATION. Passed as reported S. 1098, to amend the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply (pp. 14827-9). This bill was earlier reported with amendment (S. Rept. 386) (p. 14790).

The Commerce Committee reported with amendments S. 1727, to provide for strengthening and improving the national transportation system (S. Rept. 387). p. 14791

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued July 7, 1965
For actions of July 6, 1965
89th-1st; No. 121

CONTENTS

Aging.....14	Farm credit.....21	Personnel.....34
Agricultural appropriations.....1	Farm labor.....29	Poverty.....16,25
Animal research.....18	Foreign aid.....12,23	Public Law 480.....23
Appropriations.....1,2	Foreign trade.....19,33	Research.....5,18
Cigarette labeling....4,20	Forestry.....9	School lunch.....39
Congress.....35	Freight cars.....15	Surplus food.....7
Disaster relief.....13	Health.....6	Transportation.....15,27
Economics.....11,17,32	Housing loans.....8	Tree farms.....30
Education.....26	Lobbying.....37	Water pollution.....22
Electrification.....3,24	Monopolies.....38	Water utilization.....36
	Patents.....10	Wheat.....28

HIGHLIGHTS: Senate committee reported agricultural appropriation bill. Senate committee reported bill exempting REA coops from FPC jurisdiction. Senate agreed to conference report on cigarette labeling bill. Sen. Smith inserted letters critical of surplus food distribution program.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1966. The Appropriations Committee reported with amendments this bill, H. R. 8370 (S. Rept. 423)(p. 14998). Attached to this Digest is the committee report, which includes a statement of committee actions. Sen. Holland submitted amendments intended to be proposed to this bill (p. 15001).

2. LEGISLATIVE BRANCH APPROPRIATION BILL, 1966. The Appropriations Committee reported with amendments this bill, H. R. 8775 (S. Rept. 424). p. 14998

3. ELECTRIFICATION. The Commerce Committee reported with amendment (on July 1) S. 1459, to exempt certain cooperatives engaged in rural electrification from Federal Power Commission jurisdiction (S. Rept. 420). p. 14997

Received from REA reports on the approval of loans to the Northern Michigan Electric Cooperative, Inc., Boyne City, Mich., and to the Wolverine Electric Cooperative, Inc., Big Rapids, Mich. p. 14998

4. CIGARETTE LABELING. Agreed to the conference report on S. 559, the cigarette labeling bill. pp. 15032-4

5. RESEARCH. The Commerce Committee reported with amendment (on July 1) S. 949, to promote the economic growth by supporting State and regional centers to place the findings of science usefully in the hands of American enterprise (S. Rept. 421). p. 14997

6. HEALTH. Debated H. R. 6675, to provide a hospital insurance program for the aged under the Social Security Act with a supplementary health benefits program and an expanded program of medical assistance, to increase benefits under the old-age, survivors, and disability insurance system, etc. pp. 15037-69

7. SURPLUS FOODS. Sen. Smith inserted letters from officials of Freeport, Maine, raising "some very serious questions about the administration of the donated surplus commodities program of the Department of Agriculture." p. 15034

8. HOUSING LOANS. H. R. 7984, the housing and urban development bill, was placed on the Senate calendar. p. 14997

9. FORESTRY. Received from this Department a proposed bill to authorize the Secretary of Agriculture, in exchanges under land exchange authority, to accept and use cash to equalize the value of the Federal lands offered; to Agriculture and Forestry Committee. p. 14998

10. PATENTS. Sen. Long, La., inserted an editorial in support of his position that patent rights to discoveries made as a result of taxpayer-financed research should be held by the Government, rather than by private companies. p. 15010

11. ECONOMICS. Sen. Douglas inserted an article, "U. S. Blueprint of Economic Growth: 1970 Forecast: $10 Billion Surplus." pp. 15014-5

12. FOREIGN AID. Sen. McGee inserted an article reviewing failures in the Russian foreign aid program. p. 15015

HOUSE

13. DISASTER RELIEF. A subcommittee of the Banking and Currency Committee voted to report to the full committee H. R. 7397, to authorize a study of methods of helping to provide financial assistance to victims of future natural disasters. p. D613

14. AGING. Concurred in Senate amendments to H. R. 3708, to help older persons through grants to States for community planning and services and for training, research, etc., through HEW (p. 15072). This bill will now be sent to the President.

15. TRANSPORTATION. Rep. Hicks spoke in support of proposed legislation to insure the adequacy of the national railroad freight car supply. p. 15102

16. POVERTY. Rep. Harsha stated the poverty act "has had the effect of holding out additional hope to poverty-stricken people, but the promises of the benefits that they will reap from this legislation are as empty as last year's bird's nest." pp. 15102-3

17. ECONOMICS. Reps. Thomson, Wisc., and Curtis expressed doubt about the economic prosperity of the Nation and inserted supporting articles. pp. 15103, 15108-11

Calendar No. 409

89TH CONGRESS, 1st Session | SENATE | REPORT No. 423

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1966

JULY 6, 1965.—Ordered to be printed

Mr. HOLLAND, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 8370]

The Committee on Appropriations, to which was referred the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes, reports the same to the Senate with various amendments and presents herewith information relative to the changes made:

Amount of bill as passed House	$5,717,832,000
Amount of increase by Senate committee (net)	994,076,800
Amount of bill as reported to Senate	6,711,908,800
Amount of appropriations, 1965 (adjusted)	6,827,048,200
Amount of estimates for 1966	[1] 5,782,634,000

The bill as reported to the Senate:

Under the appropriations for 1965	115,139,400
Over the estimates for 1966	929,274,800

[1] Includes budget amendments submitted in S. Doc. 38 reducing estimates by $32,500,000 under the estimates considered by the House.

General Statement

The Senate committee bill is in the amount of $6,711,908,800, an increase of $994,076,800 over the House bill, and is $929,274,800 over the budget estimates and $115,139,400 under the 1965 Appropriations Act.

The bill includes $1,789,586,800 for the regular activities of the Department under titles I and II of the bill. This is an increase of $165,187,600 over the appropriations for 1965, an increase of $95,526,800 over the House bill and $2,474,800 over the budget estimates.

Title III of the bill carries the recommended appropriations for the Federal Crop Insurance Corporation and the appropriations authorized by various laws (1) to reimburse the Commodity Credit Corporation for losses incurred for regular price support activities and (2) to finance the costs of the foreign assistance programs, Public Law 480, as amended, together with appropriations for the expenses of the International Wheat Agreement and for the cost of bartered materials for the supplemental stockpile.

There is shown below a summary, by titles of the bill, setting forth the amounts considered by the committee on budget estimates and amendments thereto, the amounts carried in the House bill, the amounts recommended by the committee, together with a comparison of the committee recommendations, plus or minus the budget estimates, as amended.

Summary of the bill by titles

Title	Budget estimates, 1966	House bill, 1966	Senate committee, 1966	Senate committee (+) or (−) budget estimates
Title I—General activities	$1,707,486,000	$1,633,693,000	$1,711,760,800	+$4,274,800
Title II—Credit agencies	79,626,000	60,367,000	77,826,000	−1,800,000
Total, titles I and II	1,787,112,000	1,694,060,000	1,789,586,800	+2,474,800
Title III—Corporations:				
Federal Crop Insurance Corporation	8,478,000	7,478,000	8,478,000	
Reimbursement for net realized losses	2,300,000,000	2,300,000,000	3,226,800,000	+926,800,000
Subtotal, corporations	2,308,478,000	2,307,478,000	3,235,278,000	+926,800,000
Foreign assistance programs:				
Public Law 480: Titles I, II, and IV	1,658,000,000	1,658,000,000	1,658,000,000	
International Wheat Agreement	27,544,000	27,544,000	27,544,000	
Bartered materials for supplemental stockpile		30,000,000		
Subtotal, foreign assistance programs	1,685,544,000	1,715,544,000	1,685,544,000	
Total, title III	3,994,022,000	4,023,022,000	4,920,822,000	+926,800,000
Title IV—Related agencies:				
Farm Credit Administration	(2,990,000)	(2,990,000)	(2,990,000)	
National Commission on Food Marketing	1,500,000	750,000	1,500,000	
Total, title IV	1,500,000	750,000	1,500,000	
Grand total	5,782,634,000	5,717,832,000	6,711,908,800	+929,274,800

Reimbursement for Realized Losses of the Commodity Credit Corporation

The committee is concerned because of the lag which has developed in providing appropriations to reimburse the Commodity Credit Corporation for its realized losses. For the past several years, including this year, it has been necessary to provide supplemental appropriations so that the Corporation would have sufficient operating capital to carry out its authorized programs. This is not good financial management.

The executive branch and the Congress, to some degree, are both at fault in allowing these reimbursements to fall so far behind. In addition to the $2,300 million included in the budget and the House bill, there is a total of $2,064.9 million remaining unreimbursed. This consists of $1,057 million resulting from the inventory reevaluation in 1961, $80.9 million of 1963 losses, and $927 million of 1964 losses.

The committee strongly believes that appropriations to reimburse CCC should be kept current and, to make a start in this direction, is including in the bill $927 million, representing the balance of the 1964 losses, which was not in the budget nor in the bill as passed by the House. Also, the committee directs the Department to request funds in the next supplemental bill, or in any event not later than the regular bill for next year, to pick up the remaining $1,137.9 million. In the regular bill for next year the full amount of 1965 losses should be requested.

Following this procedure will not increase expenditures since the Corporation carries on its programs in accordance with authorized farm legislation and obtains funds for expenditure under its borrowing authorization of $14.5 billion. The appropriations for reimbursement of losses are required by law to reflect the amount of net realized loss incurred by fiscal year. Public Law 87–155 approved August 17, 1961, authorizes annual reimbursement appropriations to restore capital impairments of the CCC as reflected in the Corporation accounts and on the report of its financial condition at the close of each fiscal year.

Farm Labor Shortage

The committee agrees with the report of the House committee that there is a "severe shortage of farm labor" to meet peak needs of many of the nations' producers. The committee believes that this situation will continue to exist.

Unfortunately, there is a large void in the economic and statistical data upon which our farm labor policies are based. This should be corrected at the earliest possible date.

For this reason the Department is requested to make a comprehensive study of the entire agricultural labor situation. This analysis should include, but not necessarily be limited to, such matters as the need for and availability of qualified agricultural labor in this country; the impact of shortages of such labor on the production and processing of high labor requirement crops, on employment in agriculture and industries dependent in whole or in part on agriculture, on farmers' costs, and on consumer prices for the affected commodities; and the extent to which production of competing crops has increased overseas,

particularly in Latin American countries, the trends of U.S. trade in commodities requiring a heavy utilization of labor, and the impact of these trends on the American economy, including the balance-of-payments situation. The extent and feasibility of mechanizing crops now dependent on large amounts of hand labor should be the subject of analysis. Finally, some thought should be given to methods by which earnings and hours worked by piece rate employees could be ascertained.

The committee recognizes that such a study will require careful planning and extensive research. It would hope, however, that the information requested could be furnished as expeditiously as possible.

TITLE I—GENERAL ACTIVITIES

Agricultural Research Service

The Agricultural Research Service is the principal research agency within the Department of Agriculture and is responsible within the Department for the conduct of a number of research programs which include (*a*) farm research, (*b*) utilization research and development, (*c*) marketing research, (*d*) nutrition and consumer use research, and (*e*) oversea research conducted under the special foreign currency program, which is financed under a separate appropriation item.

Salaries and expenses—Research

Funds available	Available, 1965	Estimates, 1966	House bill 1966	Senate committee
By appropriation	$122,599,000	$116,892,000	$114,394,000	$124,369,800
By transfer from sec. 32	(11,775,000)	(24,600,000)	(24,600,000)	(16,600,000)
Total available	134,374,000	141,492,000	138,994,000	140,969,800

Comparisons with—

1965 available funds	+$6,595,800
Estimate for 1966	−522,200
House bill	+1,975,800

In processing the Agricultural Appropriation Act for 1964, Public Law 88–250, the conferees agreed to a provision which authorized the use of not to exceed $25 million of the section 32 permanent authorization for agricultural research purposes. Last year, in processing the agricultural appropriation bill for 1965, the committee made it clear that it was not the intent of this committee to reach an early use of the full authority agreed to in Public Law 88–250. It is noted, however, that the budget for 1966 requests full use of section 32 under the authority cited above. The committee has disagreed with this proposal and has limited the use of these funds to $16,600,000 in this bill. This is a decrease under this item of $8 million from the budget request and the House approved bill.

The committee has recommended a corresponding increase of $8 million in the direct appropriation for this item. The committee recommendation for research is $124,369,800 by regular appropriation and $16,600,000 of section 32 permanent funds for a total of $140,969,800.

For both direct appropriation and section 32 transfer the amounts available as recommended by the committee are $6,595,800 over 1965

available funds, $522,200 under the budget estimates for 1966, and $1,975,800 over the House bill.

Cotton research.—Last year the committee recommended the inclusion of funds to initiate a special cotton research program pursuant to section 103(a) of Public Law 88–297, the Agricultural Act of 1964. The 1965 Appropriation Act included $1,400,000 for this purpose, including a nonrecurring amount of $240,000 to be used for the development of plans and specifications for recommended research facilities to deal with the enlarged research program designed to bring about reduction in the cost of producing cotton.

The committee has recommended an appropriation of $2,484,000 for the construction of various facilities for which the planning funds were approved a year ago. This is $276,000 under the House bill and $1,748,000 over the budget estimates. The facilities and the amounts for each are as follows: $644,000 for the construction of a cotton disease laboratory, College Station, Tex.; $92,000 for the construction of cotton ginning facilities, Mesilla Park, N. Mex.; $1,150,000 for the construction of a laboratory for physiology and cotton insects, Tempe, Ariz.; $92,000 for the construction of a ginning laboratory facility, Stoneville, Miss.; $506,000 for the construction of a cotton physiology laboratory, Stoneville, Miss. The committee has not included $276,000 for a cotton research facility for ginning and storage to be located at Lubbock, Tex. The committee has passed over this item without prejudice and will consider the appropriation for it in a future bill.

Pesticides research.—The Committee recommends an appropriation of $5,330,000 for new pesticides research facilities. This is $3,951,000 under the budget estimate and $1,064,000 under the amount in the House bill. The committee has not recommended the appropriation of $2,887,000 for a laboratory at Beltsville, Md., but has omitted it without prejudice.

The Committee recommendations include the amount of $1,840,000 for the new laboratory at Gainesville, Fla., and $2,990,000 for the new laboratory at College Station, Tex. Both of these laboratories were recommended in the pesticides program last year and the planning funds were appropriated. The amounts recommended are the same as the estimate and the amount of the House bill.

The Committee has included $500,000 for a modification of the chemical weed laboratory at Stoneville, Miss., for which $1,500,000 was appropriated in the 1964 Appropriation Act. This is $1,064,000 under the estimate and the House bill. The conference committee last year approved a modification of the weed control laboratory, but did not contemplate any item in the amount of $1,700,000. The pesticides program submitted last year did not include any proposal for this type of facility.

The committee has included sufficient funds to modify the weed control laboratory to include modern facilities for monitoring the impact of agricultural chemicals and pesticides on environment. The committee shares the view of the House report and findings of that committee that there has been unwarranted public alarm resulting from actions taken by some regulatory agencies of the Government.

The committee expects that the new Interdepartmental Coordination Committee recently established will function effectively to preclude further unwarranted publicity-type actions in this vitally important area.

The committee action in regard to other research facilities follows:

(1) The committee has recommended $500,000 for the research facility to be located at Durant, Okla., for research to develop procedures and methods to avoid water pollution. This is $100,000 under the estimate and $50,000 over the amount approved by the House.

(2) An appropriation of $500,000 is recommended for the construction of a poultry research facility to study ways to improve efficiency in poultry production. This laboratory is to be located at Georgetown, Del. The amount recommended is the amount of the estimate and $50,000 over the amount approved by the House.

(3) An appropriation of $300,000 is recommended for development of plans and specifications for the construction of research facilities for a livestock research center to be located on Government-owned land at Clay Center, Nebr. This is the amount requested in the budget which was denied by the House. The estimated cost of constructing and equipping this new research center is $3,500,000.

When the construction of new facilities is completed at this location the Department proposes to close out existing beef research at Fort Robinson, Nebr.

The committee has recommended $719,000 for the alteration of research facilities at Beltsville, Md. This is the amount requested in the budget and is $380,000 over the House bill.

ACCELERATION OF RESEARCH ACTIVITIES

(1) The committee has included an increase of $999,600 for staffing and operating costs in connection with new and expanded research laboratories for soil and water research, for poultry research, for the National Arboretum, and for small-fruits research at Carbondale, Ill. The amount recommended is $50,400 under the request in the budget and an increase of $144,600 over the amount provided in the House bill. The principal reduction under the estimate is $50,000 for the station at Mandan, N. Dak.

(2) The committee has recommended an increase over 1965 of $2,500,000 to provide additional labor and junior scientific personnel to strengthen the agricultural research program at a number of locations. This represents an increase of $1,500,000 over the amount provided in the House bill which included $1 million by reappropriation from the special fund. The committee has concurred in the reappropriation action.

(3) The committee has approved an increase of $575,000 to accelerate research on health-related problems of tobacco, thereby providing $3,190,400 for this purpose. The amount recommended is the same as the budget request and the amount carried in the House bill.

(4) An appropriation of $1,458,200 is recommended for basic and developmental research on molds and their control. This is an increase of $345,000 over 1965 and the amount requested in the budget and provided in the House bill.

(5) For the initial development of the livestock research work at Clay Center, Nebr., the committee recommends $200,000 for 1966, an increase of $100,000 over the House bill, and $100,000 below the budget estimate.

(6) The committee has recommended an increase of $162,000 over 1965 for basic and applied research on the metabolism of fission

products and elements affecting livestock. The amount recommended is $162,000 over the House bill, which denied the item.

(7) For research on trichinosis in swine the committee concurs in the action of the House to deny an increase of $200,000. The committee was not convinced by the testimony of the urgent need for this project, but has not ruled out further consideration.

(8) The committee conducted extensive hearings earlier in the year in regard to the unprecedented announcement by the Secretary of Agriculture last December 31 to close several small research stations and lines of research in the amount of $5,151,000. The budget estimate reflected a decrease of this amount. Based upon the recommendations of the committee and following conferences held with the Secretary of Agriculture, agreement was reached on continuation of certain of these research activities amounting to $2,165,200 in fiscal 1966.

The committee has recommended a restoration of $2,165,200 in the bill for the items of research referred to and this is $485,800 under the amount provided in the House bill of $2,651,000.

The principal items of difference are in regard to the continuation of research on clothing and housing and on wholesaling and retailing. These differences will be adjusted in the conference committee since the agreement by this committee with the Secretary of Agriculture did not attempt to speak for the other body, though it is evident that there is very general agreement on the over-all action taken.

The committee reiterates its view that proposed adjustments to decrease research or to eliminate stations should be a part of the regular budget presentation and be justified in the same manner as proposals to establish new stations or increase lines of research.

The committee expects the Department to utilize fully its recently announced Research Review Committee as a regular and continuous part of the formulation and review of the agricultural research programs which are a joint undertaking and responsibility between the Department of Agriculture and the State experiment stations at the land-grant colleges and State universities.

ADDITIONAL RESEARCH NEEDS

The committee has again received many requests to accelerate existing research activities and to provide funds for new and more modern research facilities. Last year the committee did not approve a number of meritorious proposals for research facilities because of the urgency of the pesticides situation and the situation in regard to cotton research.

The committee has made recommendations for a number of research activities which follow:

(1) The committee has included $40,000 for the development of plans and specifications for the modernization of facilities at the U.S. range livestock experiment station at Miles City, Mont. The estimated cost of modernizing these facilities is $521,000. The officials of the Department advised the committee that this station was in priority "A" but was not included in the budget due to budgetary limitations.

(2) An appropriation of $50,000 is recommended to modernize the poultry husbandry research facilities located at Glendale, Ariz. The

Department proposed to eliminate the poultry research at the existing station principally because of inadequacy of the facilities essential to the poultry research in the Southwest. The future research program should include environmental investigations to improve the reproduction of poultry, including egg production, fertility, and hatchability. The present facilities, which are over 30 years old, are inadequate to conduct present and future poultry husbandry research investigations in this area of high temperature. The funds provided will provide modern facilities estimated to cost $750,000.

(3) An appropriation of $25,000 is recommended for plans and specifications to complete the construction of modern facilities of soil and water conservation research at the Southwest Great Plains Research Center, Bushland, Tex. The additional facilities amount to $350,000. In 1961 an appropriation of $250,000 was provided for a part of the facility modernization for which a total of $600,000 was recommended. According to the testimony of research officials, this facility is still listed as priority No. 10 on the list of priorities for soil and water research facilities submitted pursuant to the report identified as Senate Document No. 59.

The committee expects the Department to take some initiative in a regular and orderly manner in requesting funds in its annual budget requests for the modernization of soil and water research facilities and centers.

(4) An additional appropriation of $75,000 is recommended to accelerate soil and water research for the Southern Great Plains watershed, Chickasha, Okla., and $30,000 additional appropriation is recommended for soil and water conservation research at Madison, S. Dak.

(5) Two years ago the committee received a report on "Nutrition and Consumer Use Research." This report, printed as Senate Document 35, sets forth requirements of future food and nutrition research and proposes the establishment of research facilities essential to the conduct of a program to parallel in some respects our vastly expanded medical research program. The committee has been again advised that due to budgetary limitations imposed upon the agricultural research program the funds were not requested to develop plans and specifications for modern research facilities.

The committee has recommended the appropriation of $455,000 for the development of plans and specifications for the expansion of the main laboratory, at Beltsville, Md., and for the regional laboratory to be located at the University of North Dakota.

(6) An appropriation of $70,000 to develop plans for the wool quality research facility estimated to cost $1,040,000 to be located at the University of Wyoming, is recommended. The committee has previously received a feasibility report on this proposal which was printed in the 1965 hearings.

(7) An appropriation of $225,000 is recommended for the plans for a grain research facility, estimated to cost $3,385,000, and to be located at Manhattan, Kans. The committee has also received a feasibility report on this facility which was printed in the 1965 Senate hearings.

(8) An appropriation of $50,000 is recommended to develop plans to modernize the cereal rust research laboratory at the University of Minnesota is recommended. The estimated cost of the new facilities is $650,000.

(9) The committee concurs in the directions in the House report in regard to enlarging the existing facilities for the National Barley and Malt Laboratory at Madison, Wis., at an estimated cost of $375,000.

(10) The committee believes that the budget for fiscal 1967 should also include funds to renovate the research facilities at Beltsville, Md., for the research in the ornamental crops section. The committee also feels that the proposed weed research laboratory for the north central area is a matter of high priority and that funds for planning should be included in next year's budget request.

(11) There is an urgent need for additional mechanization research in California as the result of the discontinuance of the bracero program. The problem of the date industry, which must depend on imported labor to climb to the tops of the palm trees for pollination and for harvesting purposes, is an example. Unless these essential processes can be mechanized, the future of the American date industry is threatened. To deal with the immediate needs for date research, the committee has included $45,000 additional appropriation and expects the Department to include the additional amounts required in the next year's budget request.

(12) The attention of the committee was called to the need for a research study of temperature variation and other climatic factors on the rate of maturity and quality of apples and pears in the Hood River area of Oregon and Washington. It is the understanding of the committee that the Department will conduct this research, estimated to cost approximately $10,000 per year for 4 years, out of existing funds for fiscal year 1966. The growers will construct the building needed for this research project.

(13) An appropriation of $50,000 is recommended to make a research study of the salmonella disease affecting poultry, especially in the Northeastern States.

(14) The committee expects that the contingency research fund will be used to accelerate research on the bluecomb disease of poultry in the amount of $50,000 and that $100,000 will be used for the acceleration of research on the maize dwarf mosaic disease affecting the northern Corn Belt. Next year's budget should include the needed funds to place these projects on a regular basis.

(15) The research needs to cope with the stubborn diseases affecting citrus production in the West should also be considered in the formulation of next year's research budget.

(16) The committee directs that the research on the new disease known as equine piroplasmosis be maintained at the current level of $100,000, pending inclusion of adequate funds in the regular research budget next year.

PLANT AND ANIMAL DISEASE AND PEST CONTROL

1965 appropriation	$71,169,200
1966 budget estimate	73,160,000
House bill	71,119,000
Senate committee recommendation	75,060,000
Comparisons with:	
1965 appropriation	+3,890,800
Estimate for 1966	+1,900,000
House bill	+3,941,000

The committee recommends an appropriation of $75,060,000 to finance the Federal inspection, quarantine, regulatory, and cooperative control program activities financed under this appropriation. The amount recommended is $3,890,800 over the 1965 appropriation, and

$1,900,000 the estimates for 1966, and $3,491,000 over the amount recommended in the House bill.

The committee recommends an appropriation of $9,357,700 for plant and quarantine inspection at ports of entry. This is an increase of $215,000 over the budget estimate and $365,000 over the amount recommended in the House bill. The committee believes that in view of the number of insect pests which have entered this country over the years, it is essential that the surveillance at ports of entry by the plant quarantine and by animal quarantine inspection services be maintained at an adequate level to protect American agriculture from the further introduction of plant pests and animal diseases. These introduced pests and diseases have already caused heavy losses and the expenditure of hundreds of millions of dollars the cost of which is financed by Federal, State, and private appropriations, with cost sharing from producers.

An appropriation of $1,913,700 is recommended for inspection and quarantine of animals at ports of entry which is $256,000 over the House bill and $206,000 over the budget estimate as submitted, to the Congress.

For continuation of the mandatory activities in connection with the administration of the Virus-Serum-Toxin Act to insure the safety and protection of veterinary biologics, an appropriation of $1,560,700 is recommended. This is an increase of $50,000 over the House bill, and restores the amount requested in the budget estimate. The increased funds are needed to expand the testing of live virus vaccines which now constitute an estimated 90 percent of the total production of vaccines used in the livestock industry. The committee has concurred in the action by the House to deny an increase for sheep scrapie eradication, but if the Department believes that this proposed program of eradication is important, it should provide more specifics as to the need and the justification for it next year.

The committee recommends an appropriation of $3,270,000 for the continuation of the Federal costs for the cooperative eradication program on the imported fire ant. This is an increase of $770,000 over the amount provided in the House bill and $3,270,000 over the proposal in the budget estimate to eliminate this important cost-sharing program. The budget reduction is based upon a proposed need to reduce Federal expenditures.

Testimony received from departmental and State officials clearly indicates the need of continuing this cost-sharing cooperative control program. The imported fire ant now infest approximately 35 million acres. This insect was imported to this country and causes damage to crop and livestock production in rural areas and causes great physical pain to people living in towns and urban areas. Unless this program is continued and the fire ant is contained within existing areas, it will continue to move north and west and infest much larger areas.

This control program has been beset with difficulties arising from the residues in the effective chemical compounds originally used, which reportedly caused heavy loss to fish and wildlife. The compound called Mirex which is now used is an effective control measure but requires a followup treatment because of its lack of persistency in the soil infested by the fire ants. The eradication measures have been on a cost-sharing basis since the inception of the program. The committee recommends that the program be continued on a cost-sharing

basis and the control methods should continue to be improved as new procedures and materials are developed.

For the control costs on the cereal leaf beetle, a new insect which recently entered this country and which has already caused great loss in the Midwest, the committee recommends an appropriation of $1,250,000. This is an increase of $650,000 over the budget estimate submitted to the Congress and $750,000 over the amount included in the House bill. The control costs of combating the cereal leaf beetle are also on a matching basis, and in view of the increased area infested by this insect, the committee believes that the amount the Department originally requested should be made available in order to provide adequate funds for control measures.

For the cooperative hog cholera eradication program an appropriation of $4,615,500 is recommended. This is the amount of the budget request, an increase of $480,000 over the House bill and $1 million over the 1965 appropriation. The committee believes the full amount requested should be provided to enable the Federal financing in cooperation with the various States in an orderly effort to eliminate hog cholera. The eradication expenses are on a cost-sharing basis.

SCREW-WORM ACTIVITIES

The committee has recommended an appropriation of $320,000 as requested in the budget to conduct the 1-year field survey of screw-worm operations in the Republic of Mexico to determine the extent of screw-worm infestations in Mexico and their effect on the present barrier zone program. The amount recommended is the amount requested in the budget estimate and an increase of $70,000 over the House bill.

For the continuation of the maintenance of the existing artificial barrier zone to prevent the screw-worms from reinfesting Texas, New Mexico, and States to the north and west, an appropriation of $2,806,200 is recommended. This is the same amount as provided in the House bill and is $2,250,000 under the budget request which proposed that the Federal Government assume the full cost of the maintenance of the barrier zone.

The committee has not been furnished with any evidence that the screw-worm is completely eradicated, and has again provided $250,000 of funds that do not require matching to cope with emergency outbreaks of the screw-worms that penetrate the barrier zone.

This committee believes that the States, and livestock industry, affected should continue to pay one-half of the cost for the production, irradiation, and release of the screw-worms. An annual contribution of $2,250,000 for cost sharing is relatively modest in view of the former annual costs and losses which ranged from $25 to $100 million annually to producers before the barrier zone was established. The present barrier zone affords a large measure of protection to livestock producers in the Republic of Mexico and it may be possible to obtain some financial assistance from Mexican ranchers or from the Republic of Mexico.

The continuation of the principle of cooperative cost sharing on this program is consistent with the same requirement on the other control programs financed under this appropriation.

It has been the policy to require cost sharing on eradication and control measures dealing with the various insects which enter this

country. Therefore, the committee believes that in order to maintain equity among programs it should insist upon cost sharing in conjunction with the maintenance of the screw-worm barrier zone in the Southwest. In the Southwest the screw-worm is indigenous to the area and has always been present and has always been a factor in the production of livestock. In providing for the maintenance of a regular barrier zone on a permanent basis, the committee has included language in the bill providing for permanent cooperative financing of the maintenance of the present barrier zone. The costs requiring matching are those costs for the production, irradiation and release of the screw-worm flies.

In the second supplemental authorization bill for 1965 the committee provided $100,000 for the extension of the screw-worm barrier zone to Arizona. The budget estimate for 1966 did not include any funds for this purpose. The committee has recommended the inclusion of $1 million for the extension of the barrier zone to the west coast with the understanding that $600,000 of the additional amount recommended is to be matched by cooperators from State, local, and other sources.

The committee has recommended an appropriation of $200,000 on a cost-sharing basis to initiate an eradication program to eliminate the salmonella disease in poultry.

The committee has concurred in the House action to disallow for this year the request in the budget estimate for construction of the pesticide registration facility at Beltsville, Md., with the understanding of the committee that this facility is to be a part of the pesticide research proposal dealt with in the research appropriation, which the committee has passed over this year without prejudice.

FOOT-AND-MOUTH DISEASE

One of the greatest fears of the U.S. livestock producers is that foot-and-mouth disease might again gain entry into the United States. The attention of the committee has been called to a possible relaxation in the quarantine regulations of the Department of Agriculture. It is reported to be the intention of at least one North American nation to import live animals from countries known to be infested with the foot-and-mouth disease. During the hearings before the committee no mention was made by officials of the Department of any change in regulations affecting quarantine of animals from countries where the foot-and-mouth disease is present.

The committee recommends that the U.S. Department of Agriculture withhold any proposed action in regard to such an important change in livestock policy until the matter is discussed in the presentation of the budget for fiscal 1967 before the appropriate committees, so that there will be a full opportunity to review any changes in regulations contemplated in regard to animal quarantine.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

1965 appropriation	$2,000,000
1966 budget estimate	4,000,000
House bill	2,000,000
Senate committee recommendation	4,000,000
Comparisons with:	
1965 appropriation	+2,000,000
Estimate for 1966	
House bill	+2,000,000

The committee recommends an appropriation of $4 million for overseas research financed under the special foreign currency appropriation. The amount recommended is an increase of $2 million over 1965 and over the House bill, and is the amount requested in the budget estimate.

Of the funds recommended, $1,750,000 is for market development research authorized by section 104(a), $100,000 for the translation of scientific publications under section 104(k) and $2,150,000 for agricultural and forestry research authorized under section 104(k) of Public Law 480. All of the research undertaken under this appropriation is to be directed toward research activities which will result in benefits to American agriculture.

Cooperative State Research Service

PAYMENTS AND EXPENSES

1965 appropriations	$49,997,000
1966 budget estimate	52,367,000
House bill	51,695,000
Senate committee recommendation	55,695,000
Comparisons with:	
1965 appropriation	+5,698,000
Estimate for 1966	+3,328,000
House bill	+4,000,000

The Cooperative State Research Service, formerly known as the Cooperative State Experiment Station Service, was established by Secretary's Memorandum No. 1462 dated July 19, 1961, and supplement 1, dated August 30, 1961, under Reorganization Plan No. 2 of 1953. The primary function of the Service is to administer acts of Congress that authorize Federal appropriations for agricultural research carried on by the State agricultural experiment stations of the 50 States and Puerto Rico. The principal appropriations made under this heading are for the administration of payments to the States under the Hatch Act of 1887, as amended.

The committee recommends an appropriation of $55,695,000 for the various items financed under this heading. This is an increase of $5,698,000 over the 1965 appropriation and $4 million over the House-approved bill and $3,328,000 over the budget estimates.

The committee has provided an increase of $1 million over the budget estimate and the House-approved bill of $47,113,000 for payments to States under the provision of the Hatch Act, as amended. The $1 million increase is to be used by the States to make pay adjustments for State employees whose salaries are in part financed from this appropriation item. This is consistent with the action taken by the committee 2 years ago following the enactment by Congress of Federal pay legislation.

For grants for cooperative forestry research under the act approved October 10, 1962, the committee recommends an appropriation of $3 million, an increase of $1 million over the budget estimate and the House-approved bill, and an increase of $2 million over 1965.

The budget had requested $1 million for grants for basic and scientific research of which $400,000 was proposed to be derived by transfer from section 32 funds. The committee has denied the use of section 32 funds for this purpose, but has included the budget estimate of $1 million for research work of this nature, an increase of $600,000 over the House bill.

The committee has approved an additional appropriation of $1 million for grants for basic scientific research to be used exclusively for the research program to reduce the cost of producing cotton. An appropriation of $2 million for grants for facilities, as proposed in the budget and approved by the House, is also recommended. An appropriation of $310,000 for penalty mail is recommended. This is the amount appropriated in previous years, the amount in the budget estimate and the House bill.

For the administrative expenses of the Cooperative Research Service, an appropriation of $272,000 is recommended, the same amount as approved by the House and appropriated for 1965. This is a reduction of $72,000 in the budget request.

Extension Service

PAYMENTS TO STATES AND PUERTO RICO

1965 appropriation	$71, 919, 000
1966 budget estimate	72, 800, 000
House bill	72, 800, 000
Senate committee recommendation	75, 600, 000
Comparisons with:	
1965 appropriation	+3, 681, 000
Estimate for 1966	+2, 800, 000
House bill	+2, 800, 000

The cooperative agricultural extension work was established by the Smith-Lever Act of May 8, 1914, as amended. The basic function of the cooperative agricultural extension program is to help people identify and solve their farm, home, and community problems through the use of research findings of the Department of Agriculture and the State land-grant colleges. The program at the State and county levels is financed from the appropriations made in this bill, as well as from State, county, and local sources. The county extension service serves as the focal point in providing leadership and coordination of the educational phases of all Federal programs.

For payments to the States and territory of Puerto Rico for cooperative extension work the committee recommends an appropriation of $75,600,000. The amount recommended is an increase of $3,681,000 over the 1965 appropriation and is $2,800,000 over the budget estimate and the House bill.

The committee directs that the increased funds in the amount of $2,800,000 be allocated to the States to make comparable salary adjustments for county extension workers to those salary adjustments which were approve last year by the Congress for Federal employees. Based upon past experience, the committee believes that the States and counties will provide their share of increased appropriations necessary to bring about comparable salary adjustments for county extension workers.

For retirement and employees' compensation costs for county extension agents, the committee recommends an appropriation of $7,857,000, an increase of $347,000 over the 1965 appropriation and the amount approved in the House bill and the amount requested in the budget estimate.

An appropriation of $3,113,000 is recommended for penalty mail. This is the amount of the budget estimate, the House bill, and the amount that was appropriated for this purpose in fiscal 1965.

Federal Extension Service.—The committee recommends an appropriation of $2,565,000 for the Federal Extension Service. The amount recommended is the same amount as provided for 1965 and the amount requested in the budget estimate and provided in the House bill. This office provides leadership and specialized assistance to the State director of extension and to the county extension service. Under the revised formula for the Smith-Lever Act, there is a provision under which 4 percent of increased amounts is to be available for administrative expenses of the Federal Extension Service.

The committee requests that the applicability of this provision not apply to the increase of $2,800,000 provided for pay adjustments since the allocation of such increased funds does not impose any additional workload upon the Federal Extension Service. Thus the full $2,800,000 will be allocated to the States.

Farmer Cooperative Service

1965 appropriation	$1,141,000
1966 budget estimate	1,241,000
House bill	1,141,000
Senate committee recommendation	1,241,000
Comparisons with:	
1965 appropriation	+100,000
Estimate for 1966	----------
House bill	+100,000

The Farmer Cooperative Service conducts research and performs advisory and educational services dealing with the organization, financing, management, and related operating problems of farmer cooperatives.

The committee recommends an appropriation of $1,241,000 for 1966. This is an increase of $100,000 over the appropriation for 1965 and is the amount of the budget estimate and an increase of $100,000 over the amount approved by the House. The increase is provided to improve research and technical assistance to farmer cooperatives to meet the problems with which farmer cooperatives are faced in today's fast-changing economic environment.

Soil Conservation Service

CONSERVATION OPERATIONS

1965 appropriations	$104,233,000
1966 budget estimate	104,103,000
House bill	105,373,000
Senate committee recommendation	106,373,000
Comparisons with:	
1965 appropriation	+2,140,000
Estimate for 1966	+2,270,000
House bill	+1,000,000

The committee recommends an appropriation of $106,373,000 for conservation operations. The funds under this item are used to conduct a nationwide program of technical assistance to soil conservation districts, conduct soil surveys, operate plant materials centers, and to carry out related technical advisory activities in conjunction with our national soil conservation programs.

The amount recommended is $2,140,000 over the 1965 appropriation, $2,270,000 over the 1966 budget estimate, and $1 million over the amount carried in the House bill. The increased funds are to be used to accelerate assistance to organized soil and water conservation districts. The 1966 budget proposed legislation to establish a re-

volving fund which would require that part of the cost for technical assistance now furnished by the agency would be charged to the farmer. The proposed legislation has not been approved by the Congress and it is the understanding of the committee that no change in financing will be undertaken in the absence of such legislation.

The committee expects the agency, from within funds provided, to develop a more specific proposal to establish soil conservation show cases, and will expect that the need and financing of conservation show cases will be given consideration in the formulation of the budget for 1967.

The committee has not approved the proposal in the activity structure to provide technical service to urban areas or to suburban areas adjacent thereto.

WATERSHED PLANNING

1965 appropriation	$5, 721, 000
1966 budget estimate	5, 721, 000
House bill	5, 721, 000
Senate committee recommendation	5, 721, 000
Comparisons with:	
1965 appropriation	----------
Estimate for 1966	----------
House bill	----------

Under the heading of "Watershed planning," the committee is recommending an appropriation of $5,721,000. This is the same amount as appropriated in 1965, the amount in the 1966 budget estimate, and the amount carried in the House bill. This will allow the watershed planning program to continue at the 1965 level. The applications for planning assistance totaled 2,137 as of June 30, 1964. Of the 1,877 which were considered suitable for planning, 1,002 were approved for this purpose; plans had been completed on 617, and 875 remained to be planned.

WATERSHED PROTECTION

1965 appropriation	$61, 020, 000
1966 budget estimate	67, 171, 000
House bill	64, 171, 000
Senate committee recommendation	65, 671, 000
Comparisons with:	
1965 appropriation	+4, 651, 000
Estimate for 1966	−1, 500, 000
House bill	+1, 500, 000

The committee is recommending an appropriation of $65,671,000, for watershed protection. This is $1,500,000 below the 1966 budget estimate. This amount is $4,651,000 over the 1965 appropriation, and $1,500,000 over the amount recommended by the House.

This amount recommended provides for an increase of $4,651,000 over 1965 for river basin surveys, and for advanced engineering and works of improvement, and loans on Public Law 566 projects.

The committee action partially restores the budget request to provide a loan limitation of $5.5 million, and an increase of $1,500,000 over the House bill.

FLOOD PREVENTION

1965 appropriation	$26,317,000
1966 budget estimate	25,417,000
House bill	25,417,000
Senate committee recommendation	25,417,000
Comparisons with:	
1965 appropriation	−900,000
Estimate for 1966	----------
House bill	----------

An appropriation of $25,417,000 is recommended for carrying out the flood prevention and watershed protection program for the watershed projects financed under this item. This is the full budget estimate for 1966, and the same amount carried in the House bill. The reduction of $900,000 below the 1965 appropriation results from the fact that funds provided in the supplemental last year for emergency conservation measures in California are not required this year.

GREAT PLAINS CONSERVATION PROGRAM

1965 appropriation	$14,864,000
1966 budget estimate	14,864,000
House bill	14,864,000
Senate committee recommendation	17,432,000
Comparisons with:	
1965 appropriation	+2,568,000
Estimate for 1966	+2,568,000
House bill	+2,568,000

For the Great Plains conservation program, the committee recommends $17,432,000. This is $2,568,000 over the amount appropriated in 1965, the 1966 budget estimate, and the House bill. The sum will allow the program to catch up with the 4,500 applications which are now pending. During fiscal year 1964, five additional counties were designated for participation in the program, about 4,500 farmers and ranchers applied for program assistance, and 3,719 new contracts were signed, making a total of nearly 34 million acres placed under cost-share contracts.

The action of the committee to increase the appropriation by $2,568,000 is for the purpose of enabling the agency to provide technical and conservation assistance to reduce the backlog of an estimated 4,600 unserviced applications on hand from farmers and ranchers.

RESOURCE CONSERVATION AND DEVELOPMENT

1965 appropriation	$1,813,000
1966 budget estimate	4,303,000
House bill	2,813,000
Senate committee recommendation	4,303,000
Comparisons with:	
1965 appropriation	+2,490,000
Estimate for 1966	----------
House bill	+1,490,000

For this item, the committee recommends $4,303,000, the same amount as the 1966 budget estimate. This is $2,490,000 over the 1965 appropriation and $1,490,000 over the House bill.

This increase provides $290,000 for project planning to provide a total of $600,000 to start planning activity in additional projects and $1,200,000 to accelerate the resource development operations in existing projects.

The committee has also recommended that the limitation on loans and related expenses be increased to $1,500,000 which was the amount requested in the budget estimate. This is a $500,000 increase over the House limitation.

Economic Research Service

1965 appropriation	$10, 922, 000
1966 budget estimate	11, 366, 000
House bill	11, 072, 000
Senate committee recommendation	11, 591, 000
Comparisons with:	
1965 appropriation	+669, 000
Estimate for 1966	+225, 000
House bill	+519, 000

The Economic Research Service was established by Secretary's Memorandum No. 1446, Supplement No. 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953 and other authorities. The Service develops and carries out a program of economic research designed to benefit farmers and the general public. The findings of this research are made available to farmers and others through research reports and through economic outlook and situation reports on major commodities, the national economy, and the international economy.

The committee recommends an appropriation of $11,591,000. This is an increase of $669,000 over the appropriation for 1965, $225,000 above the estimate for 1966, and $519,000 over the amount recommended in the House bill. The increases over 1965 include $200,000 for a 1-year study and anlaysis of the away-from-home market for food. This amount is recommended with the understanding that it will be matched by the food industry. This item had been denied by the House, but based upon testimony received from the Department and the affected food industries, the committee believes that funds should be provided for this cooperative undertaking. The committee has also provided the full budget estimate for increases as follows: $50,000 for research on the financial management of family farms for which the House had approved $30,000; a $104,000 increase for the economic analysis of water management for which the House bill provided $60,000; and $90,000 for accelerating the economic analysis of agricultural exports and imports for major trading countries and to develop export outlook projections for U.S. products in foreign markets, for which the House approved $60,000.

In addition, the committee recommends an appropriation of $150,000 for a 2-year study on the problem of egg pricing. An increase of $35,000 is recommended for economic research in Hawaii for investigations of water economics, water utilization, and water institutions in that State.

The committee has also included an additional $40,000 for economic research in conjunction with flowers and ornamentals. The committee believes that adequate attention should be given in both agricultural and economic research to the rapidly developing flower and ornamental industry in this country.

STATISTICAL REPORTING SERVICE

1965 appropriation	$11,866,000
1966 budget estimate	13,595,000
House bill	13,595,000
Senate committee recommendation	13,875,000
Comparisons with:	
1965 appropriation	+2,009,000
Estimate for 1966	+280,000
House bill	+280,000

The Statistical Reporting Service was established by Secretary's Memorandum No. 1446, Supplement 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953 and other authorities. The Service was created to give coordinated leadership to the statistical reporting research and service programs of the Department. It provides a channel for the orderly flow of statistical intelligence about the agricultural economy of this country. The primary responsibilities of this Service are the nationwide crop and livestock estimates, coordination and improvement in the Department's statistical requirements, and special surveys of market potentials for agricultural products.

An appropriation of $13,875,000 is recommended for fiscal 1966. This is an increase of $2,009,000 over the 1965 appropriation for this agency, and is $280,000 over the budget estimate and the House bill.

For several years an experimental program, financed under the appropriation, "Payments to States," has been conducted in conjunction with crop estimates on fruits, nuts, and vine crops in the State of California. The State of California has provided a $40,000 appropriation to bear one-half of the cost of placing this program on a permanent matching basis. The committee has recommended the inclusion of $40,000 for the Federal cost share. An increase of $15,000 is recommended for the development and issuance of annual estimates on the mushroom crop. This crop has an annual value of $36 million and the committee believes that in view of the difficulties faced by the producers that annual production estimates should be provided.

The committee has included $225,000 for completion of the first phase of the long-range program for improving crop and livestock estimates. The action of the committee provides a total of $4,045,100 for the expanded program, thereby placing this on a full operating basis in all the States except Alaska and Hawaii.

In conjunction with the budget estimates for this agency, there was a proposal to eliminate the cut flower survey in the amount of $87,000, to eliminate the issuance of certain seed reports in the amount of $14,000, and to eliminate cattle on feed reports in the amount of $125,000. The House committee denied this proposal in the budget to eliminate these programs at the expense of increasing the long-range program for improving crop and livestock estimates.

The committee concurs in the action taken by the House and advises the Department that it believes that Congress also has some responsibility in the establishment of priorities for crop and livestock estimate activities and projects. It hopes the Department will keep this in mind in the formulation of future budget requests. The major increase over 1965 is an item of $1,729,000 for the purchase of a large-scale computer for use in connection with the various livestock and crop estimates and specialty crop reports issued by the agency. This nonrecurring expenditure has been approved by the House and the committee concurs in the acquisition of the computer and the related costs incident to installation.

Consumer and Marketing Service

The Consumer and Marketing Service, formerly known as the Agricultural Marketing Service, was established February 8, 1965, pursuant to Reorganization Plan No. 2 of 1953, under terms of the Reorganization Act of 1949, as amended (5 U.S.C. 1332). The Service aids in advancing the orderly and efficient marketing and the effective distribution of products from the Nation's farms. It serves consumers directly through the mandatory inspection of meat and poultry for wholesomeness, the school lunch, special milk, and food stamp programs, and through direct distribution of commodities acquired under section 32 and by CCC.

The domestic marketing and distribution functions of the Department are centered primarily in this service and are described more specifically under the various appropriations items.

CONSUMER PROTECTIVE, MARKETING AND REGULATORY PROGRAMS

1965 appropriation	$73,752,000
1966 budget estimate	76,437,000
House bill	75,852,000
Senate committee recommendation	76,412,000
Comparisons with:	
1965 appropriation	+2,660,000
Estimate for 1966	−25,000
House bill	+560,000

The activities financed under this appropriation contribute to consumer protection and to the efficient and orderly marketing of agricultural commodities.

Pursuant to the reorganization plan announcing the establishment of the Consumer and Marketing Service, the appropriation estimate for meat inspection, formerly administered under the Agricultural Research Service, was transferred to this appropriation under an amendment to the budget transmitted in House Document 154, dated April 26, 1965.

The separate appropriation for meat inspection in fiscal 1965 was $33,265,000 and the appropriation for mandatory poultry inspection was $17,166,800. Mandatory meat and poultry inspection services are now administered by this agency and appropriated for under this item.

The same reorganization plan also announced the consolidation of all warehouse examination activities of the Department under the Consumer and Marketing Service by transfer of warehouse examination functions from the Agricultural Conservation and Stabilization Service. The consolidation of the transferred warehousing functions with the administration of the U.S. Warehouse Act, under this agency, is to be effective July 1, 1965.

Other activities financed under this appropriation include the market news services for major commodities; the inspection, grading, classing, and standardization work for a number of commodities; and the administration of regulatory activities such as the Packers and Stockyards Act and the U.S. Warehouse Act.

The committee recommends an appropriation of $76,412,000 for fiscal 1966. This is an increase of $2,660,000 over comparative appropriations for 1965, and is $25,000 below the estimate for 1966, and $560,000 above the amount recommended in the House bill.

The action recommended by the committee restores the full budget estimate of $35,370,000 for meat inspection, an increase of $216,000 over the House bill. It also provides the full estimate of $17,401,800 for mandatory poultry inspection, an increase of $24,000 over the House bill. It provides $20,000 for reimbursement to the employees' compensation fund which has been denied by the House. The committee has also recommended an appropriation of $2,530,300 for the administration of the Packers and Stockyards Act, an increase of $200,000 over the House bill. The House had denied the increase of $200,000 but the committee believes that adequate funds should be provided for carrying out the necessary investigations and supervision of persons and firms subject to the act as proposed in the budget in conjunction with regulatory activities affecting meat and poultry commodities.

The committee has also approved an appropriation of $1,243,200 for the administration of the U.S. Warehouse Act, an increase of $100,000 over the House which had denied this amount. The increased funds are to be used to accelerate inspection of warehouses under the U.S. act. The committee has concurred in the action of the House to deny an increase of $25,000 for livestock, meat, and wool grading and other standardization work. It believes that essential increased workload can be absorbed by redirection of the present activities financed by this project for which $420,600 is provided.

PAYMENT TO STATES AND POSSESSIONS

1965 appropriation	$1, 500, 000
1966 budget estimate	1, 500, 000
House bill	1, 500, 000
Senate committee recommendation	2, 000, 000
Comparisons with:	
1965 appropriation	+500, 000
Estimate for 1966	+500, 000
House bill	+500, 000

The Service administers the matched fund program for marketing activities carried out through cooperative arrangements by State departments of agriculture, bureaus of markets, and similar State agencies. These payments to States for this purpose were authorized under section 204(b) of the Agricultural Marketing Act of 1946.

For this program an appropriation of $2 million is recommended. These funds are matched by the States and the increase provided will enable the Department to meet more nearly the increasing demand under this program for this purpose. The committee is advised that the State legislatures have provided over $3.5 million for cost-sharing projects which qualify under section 204(b) of the Agricultural Marketing Act of 1946.

SPECIAL MILK PROGRAM

1965 appropriation	[1] $103, 000, 000
1966 budget estimate	100, 000, 000
House bill	100, 000, 000
Senate committee recommendation	108, 000, 000
Comparisons with:	
1965 financing	+5, 000, 000
Estimate for 1966	+8, 000, 000
House bill	+8, 000, 000

[1] In 1965 a transfer of $51,500,000 from sec. 32 was authorized together with a direct appropriation of $51,500,000.

Under the program, assistance is provided to the States and to eligible nonprofit organizations and child care institutions, primarily for the purpose of increasing the consumption of fluid milk. This program was authorized in fiscal 1955 and financed by advances from the Commodity Credit Corporation. Public Law 87–128, approved August 8, 1961, changed the financing of the program to a direct appropriation beginning with July 1, 1962.

For fiscal 1966 an appropriation of $108 million is recommended. This is an increase of $5 million over 1965 financing and an increase of $8 million over the budget estimate and the House bill.

The committee believes that the budget proposal to reduce the program by $3 million under the 1965 level on a funds available basis is inconsistent with the legislative intent of the program authorization. The action recommended by the committee to provide $108 million is more in keeping with the intent of the legislation and will meet most of the increase in demand for the special milk program.

SCHOOL LUNCH PROGRAM

1965 appropriation	$146,400,000
1966 budget estimate	157,000,000
House bill	155,000,000
Senate committee recommendation	155,000,000
Comparisons with:	
1965 appropriation	+8,600,000
Estimate for 1966	−2,000,000
House bill	

The committee recommends a direct appropriation of $155 million for 1966. This amount together with a transfer of $45 million from section 32 permanent authorization for the purchase of food commodities pursuant to section 6 of the School Lunch Act, as amended, makes a total of $200 million available in 1966 for school lunch program assistance. This is an increase of $8,600,000 over 1965, the amount of the House bill, and $2 million under the budget estimate.

This appropriation provides a regular cash payment to the States of $138,590,000, an increase of $8.6 million over 1965, which together with commodity procurement assistance of $59,325,000, makes a total of $197,915,000 for regular school lunch assistance. This is the same amount for this purpose as provided in the House bill and requested in the budget estimate. The increased amount of $8.6 million available under cash payments to States, together with the fund for commodity purchases, is estimated to provide an average reimbursement rate of 5 cents per meal served, according to testimony presented to the committee by departmental officials.

The committee has concurred in the action of the House to deny the request in the budget estimate of $2 million requested for special assistance as authorized by section 11 of the School Lunch Act, as amended.

FOOD STAMP PROGRAM

1965 appropriations	$60,000,000
1966 budget estimate	100,000,000
House bill	100,000,000
Senate committee recommendation	80,000,000
Comparisons with:	
1965 appropriation	+20,000,000
Estimate for 1966	−20,000,000
House bill	−20,000,000

The committee recommends a direct appropriation of $80 million, and reappropriation of $20 million from funds made available in 1965 to provide the full estimate of $100 million for expenses of the food stamp program, as authorized by the Food Stamp Act of 1964.

It is expected that the Food Stamp Program will be extended to 41 States and the District of Columbia during fiscal 1966. This expansion will provide for the 43 areas formerly under the pilot program and will include about 150 counties and political subdivisions. Based upon estimates of the Department, it is expected that by the end of fiscal 1966 the participation will number 1,100,000 and the average cost per person will be about $90.00.

The provision recommended for inclusion in the bill by the committee which provides a reappropriation of $20 million reads as follows:

> *Provided, That, in addition, not more than $20,000,000 of the amount appropriated under this head for the previous fiscal year may be transferred to and merged with this appropriation*

Foreign Agricultural Service

1965 appropriation	$20,779,000
1966 budget estimate	20,574,000
House bill	20,574,000
Senate committee recommendation	20,574,000
Comparisons with:	
1965 appropriation	−205,000
Estimate for 1966	
House bill	

The Foreign Agricultural Service was established March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service. More recently, the Secretary has assigned to the Service, by transfer from other agencies of the Department, responsibility for the barter and stockpiling program; general sales management for Government-owned surplus commodities; ocean transportation functions related to the export of commodities under U.S. programs; and activities relating to developing, evaluating, and reviewing the program for donations of food abroad through voluntary agencies, pursuant to title III of Public Law 480.

The primary function of the Foreign Agricultural Service is to help American agriculture in maintaining and expanding foreign markets for its products.

It maintains a worldwide agricultural intelligence and reporting service to assist U.S. agricultural industry in its export operations. This is done through a continuous program of analyzing and reporting foreign agricultural production, markets, and policies.

It helps to develop foreign markets for U.S. farm products through administration of special export programs and through helping to secure international trade conditions that are favorable toward our products.

An appropriation of $20,574,000 is recommended for 1966. This is a net decrease of $205,000 under the 1965 appropriation, and is the amount requested in the estimate and carried in the House bill. The

net decrease under 1965 results from a decrease of $285,000 in financing expenses in Brazil for next year from the special foreign currency funds, and an increase of $80,000 to strengthen agriculture attaché services in Chile and to strengthen representation on the OECD staff. In addition to direct appropriations the agency has $3,117,000 by transfer from section 32, and a transfer of $1,752,000 from the Commodity Credit Corporation. The transfer from CCC is used to finance the operations of general sales management, to perform functions related to ocean transportation, for work in connection with foreign donations, and related activities.

The dollars for market development activities which are provided in this appropriation are used almost exclusively for the purchase of foreign currencies accruing under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480). Such currencies are expended in accordance with the authorities contained in section 104(a) of the act. The United States has been carrying on discussions with other countries that are members of the International Cotton Advisory Committee with a view to sponsoring a continuing program for promoting the consumption of cotton and cotton products on an international basis. Foreign currencies purchased with dollars made available for market development activities are available under the authority of section 104(a) for use by the United States to finance its share of cost in participating in any international arrangements for cotton promotion that result from these discussions, inasmuch as they would help in developing new markets for cotton produced in the United States.

Commodity Exchange Authority

1965 appropriation	$1, 169, 000
1966 budget estimate	1, 169, 000
House bill	1, 169, 000
Senate committee recommendation	1, 169, 000
Comparisons with:	
1965 appropriation	----------
Estimate for 1966	----------
House bill	----------

The Commodity Exchange Authority administers the Commodity Exchange Act of September 21, 1922, as amended. The objectives of the act are to prevent commodity price manipulation and market corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges on contract markets to cooperative associations of producers; insure trust-fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

An appropriation of $1,169,000 is recommended for the operation of the agency. This is the amount of the budget estimate and the House bill, and the amount of the appropriation for 1965.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended (5 U.S.C. 133z).

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

1965 appropriation	$108,552,000
1966 budget estimate	138,350,000
House bill	111,714,000
Senate committee recommendation	135,350,000
Comparisons with:	
1965 appropriation	+26,798,000
Estimate for 1966	−3,000,000
House bill	+23,636,000

Under this appropriation item funds are made available for the administrative expenses of a number of farm programs administered by the Agricultural Stabilization and Conservation Service. These programs include acreage allotments and marketing quotas, the conservation reserve program, the crop conversion program, the agricultural conservation and land use adjustment programs, the Sugar Act program, together with price support, and related program activities dealing with a number of agricultural commodities.

The committee recommends a direct appropriation of $135,350,000. This is an increase of $26,798,000 over the 1965 appropriation, and is $3 million under the estimate, and an increase of $23,636,000 over the House bill.

The committee also recommends $75,390,000 in language transfer from the commodity credit corporate funds for administrative expenses. This is $21,225,000 under the House bill and the amount requested in the budget estimate. The increase in direct appropriation over 1965 arises principally from the fact that the legislation for the voluntary wheat diversion program authorized the use of corporation funds in lieu of appropriations, and to correct the present practice of charging CCC funds with expenses more properly chargeable to appropriated funds.

The total amount available for administrative expenses recommended by the committee is $210,740,000 of which $135,350,000 is by appropriation and $75,390,000 by transfer, an increase of $2,411,000 over the House bill and $3 million under the budget estimate.

The House committee report took note of the proposed changes being considered by the Department in connection with skip-row planting of cotton. The committee concurs in the view expressed in the House report that there should be no change in connection with skip-row planting until pending the enactment of new cotton legislation. The House committee commented in regard to the proposal to change the administration of the cotton loan program by providing disbursement of loans from county offices. This committee shares the view of the House committee that such a change may increase the administrative cost and provide inconvenience to the producer.

SUGAR ACT PROGRAM

1965 appropriation	$96,000,000
1966 budget estimate	95,000,000
House bill	95,000,000
Senate committee recommendation	95,000,000
Comparisons with:	
1965 appropriation	−1,000,000
Estimate for 1966	----------
House bill	----------

An appropriation of $95 million is recommended for payments to domestic producers of sugarbeets and sugarcane who comply with special requirements under the Sugar Act, as amended. The amount included represents the estimate for 1966 and the amount in the House bill, and is a decrease of $1 million under the 1965 appropriation.

The excise tax collections from the sugar tax on cane and beet sugar processed in or imported for direct consumption have amounted to $2.2 billion from 1938 to 1964. Such collections exceed payments by $541,557,000.

AGRICULTURAL CONSERVATION PROGRAM

1965 appropriation	$225,000,000
1966 budget estimate	220,000,000
House bill	220,000,000
Senate committee recommendation	220,000,000
Comparisons with:	
1965 appropriation	−5,000,000
Estimate for 1966	----------
House bill	----------

This program is authorized by the provisions of section 7 to 16(a), inclusive, and section 17 of the Soil Conservation and Domestic Allotment Act, as amended. The act aims at restoring and improving soil fertility. It contributes to reducing erosion caused by wind and water. It also helps in conserving water on land. Costs are shared with individual farmers and ranchers who perform approved soil-building and soil- and water-conserving practices on their farms. This assistance represents only a part of the cost of performing the practice. The farmer bears the balance of the cost which amounts to about 50 percent. He supplies the labor and management necessary to carry out the practice. Allocations are made to States based upon conservation needs.

An appropriation of $220 million is recommended to carry out payments earned under the 1965 program authorized a year ago. This is the amount of the budget estimate and the House bill and a decrease of $5 million under the 1965 appropriation.

The committee recommends an advance authorization for the 1966 program of $220 million. This is the amount provided last year and the amount carried in the House bill, and an increase of $100 million over the budget request. In addition, $30 million for administrative expenses is available under the appropriation of "Expenses, ASCS."

CROPLAND CONVERSION PROGRAM

1965 appropriation	$15,000,000
1966 budget estimate	10,000,000
House bill	7,500,000
Senate committee recommendation	10,000,000
Comparison with:	
1965 appropriation	−5,000,000
Estimate for 1966	
House bill	+2,500,000

Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended by section 101 of the Food and Agriculture Act of 1962, provides for long-term cropland conversion agreements. Under these agreements cropping systems and land uses will be changed to permanently shift to better productive use cropland which is not well suited for crop use. They also temporarily shift to better productive use, and to use for other purposes, land which is suitable for crop use but not currently needed for crops.

An appropriation of $10 million is recommended for the 1966 pilot cropland conversion program. This is the full amount under the current authorization act for any one calendar year. The amount recommended is $2,500,000 over the House bill, the amount of the budget request, and $5 million under the 1965 appropriation, which financed costs for two calendar years.

CONSERVATION RESERVE PROGRAM

1965 appropriation	$194,000,000
1966 budget estimate	150,000,000
House bill	140,000,000
Senate committee recommendation	146,000,000
Comparisons with:	
1965 appropriation	−48,000,000
Estimate for 1966	−4,000,000
House bill	+6,000,000

The conservation reserve program is authorized by the Soil Bank Act of 1956. It was a voluntary program under which the Secretary was authorized to enter into 3- to 10-year contracts with farmers to withdraw specified acreages of cropland from production and devote it to conservation uses. In return for removing designated cropland from production and for establishing necessary conservation practices on this land, the farmer receives an annual rental payment each year of the contract period, and received cost-sharing assistance for the establishment of the required conservation practices. Most contracts will have terminated by the fiscal year 1970.

The committee recommends an appropriation of $146 million to carry out payments required on outstanding conservation reserves contracts. The amount recommended is $48 million under the 1965 appropriation, and is $6 million over the amount in the House bill, and $4 million under the budget estimate.

EMERGENCY CONSERVATION MEASURES

1965 appropriations	$14,000,000
1966 budget estimate	[1] 24,000,000
House bill	4,000,000
Senate committee recommendation	30,000,000
Comparisons with:	
1965 appropriation	+16,000,000
Estimate for 1966 [1]	+ 6,000,000
House bill	+26,000,000

[1] Includes $20,000,000 budget amendment transmitted in S. Doc. 38.

The program of emergency assistance was authorized by the Third Supplemental Appropriation Act of 1957 (Public Law 85–58). Assistance is available only when, as a result of wind erosion, floods, hurricanes, or other natural disasters, new conservation problems are created which (1) if not treated, will impair or endanger the land; (2) materially affect the productive capacity of the land; (3) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area; and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

The committee recommends an appropriation of $30 million for emergency conservation measures. The amount recommended is $6 million over the amount of the estimate for 1966, including the increase of $20 million recommended in Senate Document 38, the budget amendment transmitted directly to the Senate on June 22, 1965. The committee was advised during the course of hearings that the Department had requested $26 million in addition to the $4 million in the original budget estimate for 1966.

In view of the number of floods and other disasters which have been occurring and which affect areas eligible for cost-sharing assistance under this appropriation, the committee believes that $30 million is the minimum that should be available for emergency purposes. The committee has previously urged the Department to request adequate funds in conjunction with the regular appropriation for emergency conservation measures and believes that the amount recommended will enable the Department to move in the direction of keeping more current with the needs to repair agricultural land as a result of damage from floods, hurricanes, and other natural disasters.

If the amounts provided in this bill are not adequate the committee expects the Bureau of the Budget to make available to the Department of Agriculture additional funds from the President's disaster relief fund to meet all needs resulting from disasters. As previously stated the committee believes that this fund should be established at an adequate level to meet the needs as they occur. Some years such needs are relatively small, but no one knows from year to year the extent of disasters and these funds cannot be spent unless the requirements set forth in the criteria are met. Thus, it is evident to the committee that adequate financing should be established for this fund to enable the Department to render prompt cost-sharing assistance after the necessary procedures are followed under the disaster relief laws. Farmers who qualify for assistance can then proceed in an orderly manner rather than to be subjected to long delays and uncertainties in connection with the availability of Federal assistance for the repair of damaged lands.

Rural Community Development Service

1965 appropriation	$132,000
1966 budget estimate	750,000
House bill	500,000
Senate committee recommendation	750,000
Comparisons with:	
1965 appropriation	+618,000
Estimate for 1966	
House bill	+250,000

The Rural Community Development Service has been established as a new agency of the Department. It includes the activities of the former Office of Rural Areas Development established June 16, 1961, to provide for general staff coordination of the rural areas development activities of the Department. In addition, it will undertake to facilitate the effective extension into rural areas of assistance programs of other Federal agencies which do not now effectively reach rural areas because of the administrative difficulties of communicating with the dispersed rural population. It will work with local organizations and leaders in helping them to locate and use the facilities of private, State, and other Federal agencies in developing the economy of rural areas, particularly those of low income.

An appropriation of $750,000 is recommended for staff coordination of rural areas activities for 1966. This is an increase of $618,000 over 1965, the amount requested in the budget estimate, and an increase of $250,000 over the amount recommended in the House bill.

Office of the Inspector General

1965 appropriation	$10,116,000
1966 budget estimate	10,961,000
House bill	10,416,000
Senate committee recommendation	10,491,000
Comparisons with:	
1965 appropriation	+375,000
Estimate for 1966	−470,000
House bill	+75,000

Internal audit and investigation activities are carried out by the Office of the Inspector General which was established by the Secretary of Agriculture's Memorandum No. 1503, dated June 25, 1962, and No. 1524, dated December 21, 1962. The Office is responsible to the Secretary for assuring that existing laws, policies, and programs of the Secretary are effectively complied with on every level of administration in accordance with the intent of the Congress and the Secretary. It insures prompt and appropriate corrective action in those areas in which deviation from established law, policy, procedure, rules, or regulations has developed; and conducts internal audit and investigative activities within the Department and coordinates and correlates them with various investigative agencies of the executive and legislative branches of the Government.

An appropriation of $10,491,000 is recommended for fiscal 1966. This is an increase of $375,000 over the 1965 appropriation, an increase of $75,000 over the House bill, and $470,000 under the budget estimate.

The committee has recommended an increase of $75,000 over the House bill for the acceleration of necessary audit and investigative activities in conjunction with the food stamp program. This is a partial restoration of the estimate of $458,000 requested in the budget estimate for this purpose. The committee has concurred in the action of the House to deny an increase of $387,000 for increases proposed for other investigative activities.

Office of the General Counsel

1965 appropriation	$4,039,000
1966 budget estimate	4,229,000
House bill	4,139,000
Senate committee recommendation	4,229,000
Comparisons with:	
1965 appropriation	+190,000
Estimate for 1966	----------
House bill	+90,000

The General Counsel, as chief law officer of the Department, is responsible for providing legal services for all programs, operations, and activities of the Department. He serves as General Counsel for the Commodity Credit Corporation and for the Federal Crop Insurance Corporation, and represents the Secretary of Agriculture in administrative proceedings involving freight rates on farm commodities including appeals from the Interstate Commerce Commission.

The committee recommends an appropriation of $4,229,000 for the Office of the General Counsel. This is an increase of $190,000 over the 1965 appropriation, the amount in the estimate and an increase of $90,000 over the House bill.

The increased funds are provided for additional legal services for the food stamp program, for additional work in connection with the Packers and Stockyards Act, for increased legal work in connection with servicing of the expanded programs of the Farmers Home Administration, and for additional legal services in connection with expanded activities of the Forest Service.

Office of Information

1965 appropriation	$1,689,000
1966 budget estimate	1,689,000
House bill	1,689,000
Senate committee recommendation	1,689,000
Comparisons with:	
1965 appropriation	----------
Estimate for 1966	----------
House bill	----------

The Office has general direction and supervision of all publications and other information policies and activities of the Department including the final review, illustrating, printing, and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration-type photographs; and the preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department directory, and the Department list of publications; handles the details of distributing farmers' bulletins allotted to Members of Congress; and services letter and telephone requests for general information received in the Department.

An appropriation of $1,689,000 is recommended for fiscal 1966 for the Office of Information. This is the amount provided in 1965, the amount of the budget estimate for 1966, and the amount carried in the House bill.

National Agricultural Library

SALARIES AND EXPENSES

1965 appropriation	$1,599,000
1966 budget estimate	1,865,000
House bill	1,599,000
Senate committee recommendation	1,865,000
Comparisons with:	
1965 appropriation	+266,000
Estimate for 1966	
House bill	+266,000

The National Agricultural Library makes available to the research workers of the Department and the State agricultural colleges, as well as to the general public, the agricultural knowledge of the world that is contained in published literature. This reduces duplication of effort and avoids diversion of valuable time of scientists and administrators by letting them know what has been done previously in their fields.

The library collects current and historical published material and organizes it for maximum service to the Department and to the public through reference services, loans of publications, bibliographical services, and photoreproductions of library material. It issues a monthly Bibliography of Agriculture in which is listed the agricultural literature of the world. The book collection approximates 1 million volumes, and it has not been currently maintained as to coverage or by a system that will provide the research workers with timely and complete information.

The committee recommends an appropriation of $7 million for the construction of modern and adequate facilities for the National Agricultural Library, to be located on a site at the Agricultural Research Center, Beltsville, Md. This is the amount of the estimate and the amount carried in the House bill. In 1964, an appropriation of $450,000 was approved for the development of architectual plans and specifications for new library facilities.

For salaries and expenses the committee recommends an appropriation of $1,865,000, an increase of $266,000 over 1965, the amount requested in the budget, and an increase of $266,000 over the House bill.

The increased funds are recommended to enable the library to expand the coverage of, and to continue the development of a comprehensive mechanized storage, retrieval, and publication system for the Bibliography of Agriculture. This bibliography is recognized as the most important indexing source available to research scientists, and the request of an increase of $216,000 for this purpose is recommended by the committee.

An increase of $50,000 over 1965 is also recommended for the acquisition and cataloging of books and periodicals. The use of the increased funds would be limited to the most essential books and publications, to maintain the periodical acquisition program, and to make these books and periodicals acquired available for use.

Office of Management Services

1965 appropriation	$2,483,000
1966 budget estimate	2,579,000
House bill	2,483,000
Senate committee recommendation	2,500,000
Comparisons with:	
1965 appropriation	+17,000
Estimate for 1966	−79,000
House bill	+17,000

This Office was established pursuant to Secretary's Memorandum No. 1529, dated January 29, 1963, to consolidate the budget and management service functions for several staff offices and agencies of the Department of Agriculture.

The committee recommends an appropriation of $2,500,000 for the operation of the Office of Management Services. This is an increase of $17,000 over the 1965 appropriation and the House bill and is $79,000 below the estimate.

General Administration

1965 appropriation	$3,553,000
1966 budget estimate	3,848,000
House bill	3,848,000
Senate committee recommendation	3,848,000
Comparisons with:	
1965 appropriation	+295,000
Estimate for 1966	----------
House bill	----------

This appropriation item is used to finance the expenses of the Office of the Secretary of Agriculture and his immediate staff, together with various staff offices, including the Office of Budget and Finance, Office of Plant and Operations, Office of Personnel, Office of Management Appraisal and Systems Development, Office of Hearing Examiners, the Judicial Officer, and the expenses of the National Advisory Commission.

The committee recommends an appropriation of $3,848,000 for this item. This is an increase of $295,000 over the appropriation for 1965, the amount included in the House bill and the amount requested in the budget estimate for 1966. The increase over 1965 is for the increased activities in connection with title VI of the Civil Rights Act of 1964, and for the agricultural program in Guam.

On September 7, 1964, Public Law 88–584, an act to establish Federal agricultural service to Guam for a period of not to exceed 5 years, was approved. The authorizing legislation provides not to exceed $60,000 per annum may be appropriated to carry out the purposes of this act. The committee has included a provision in the bill under this appropriation item, making $60,000 available for fiscal 1966 to carry out the agricultural program authorized for Guam.

The committee directs that none of the funds appropriated in the bill are to be used for the expenses of the President's Committee on Equal Employment Opportunity.

TITLE II—CREDIT AGENCIES

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order 7035, dated May 11, 1935, to make loans for the

extension of electric service to unserved rural people. The Rural Electrification Administration was transferred to the Department of Agriculture on July 1, 1939, under Reorganization Plan No. 2. Public Law 423, approved October 28, 1949, amended the authorization act to authorize loans for furnishing and improving rural telephone service. Both the telephone and electric loans are on a self-liquidating basis for a loan period of not to exceed 35 years at 2 percent interest.

LOAN AUTHORIZATION FOR ELECTRIFICATION LOANS

1965 authorization	($365, 000, 000)
1966 budget estimate	(350, 000, 000)
House bill	(350, 000, 000)
Senate committee recommendation	(380, 000, 000)
Comparisons with:	
1965 appropriation	(+15, 000, 000)
Estimate for 1966	(+30, 000, 000)
House bill	(+30, 000, 000)

The committee recommends new loan authorization for the electrification program for fiscal 1966 in the amount of $380 million of which $50 million is placed in the contingency reserve. The amount recommended is $30 million over the budget estimate transmitted to the Congress for fiscal 1966. This amount of $380 million, together with the amount of $37.4 million in the contengency reserve which was released late on June 30, makes a total available for electrification loans in fiscal 1966 in the amount of $417.4 million.

The amount recommended is $30 million over the budget estimate for 1966 and is $15 million over the amount of authorization approved in 1965. The amount of new authorization recommended of $380 million plus the balance carried forward from 1965 of funds released from the contingency funds on June 30, 1965, of $37.4 million makes a total available in 1966 of $417.4 million for the electrification program. This is practically the same amount of total loan authorization made available last year including the 1965 authorization of $365 million plus the 1964 balance carried forward of $23 million and rescissions of $29.3 million from prior years making a total availability in 1965 of $417.3 million. Loans approved in 1965 totaled $379,973,000.

This committee, in conjunction with the House committee, in Report No. 497, 88th Congress, 1st session, imposed certain duties and responsibilities upon the REA Administrator to its borrowers and their power suppliers to be complied with before approving loans for generation and transmission facilities.

The committee directs the REA Administrator's attention to this action and the regulations promulgated thereunder and reiterates its instructions that every effort be made to obtain reasonable wholesale power supply contracts before lending public funds for generation and transmission facilities.

LOAN AUTHORIZATION FOR TELEPHONE LOANS

1965 authorization	($70, 000, 000)
1966 budget estimate	(97, 000, 000)
House bill	(97, 000, 000)
Senate committee recommendation	(97, 000, 000)
Comparisons with:	
1965 appropriation	(+27, 000, 000)
Estimate for 1966	----------
House bill	----------

The committee recommends new loan authorization for the rural telephone program in the amount of $97 million. This is an increase of $27 million over the authorization for 1965 to provide additional authorization for the telephone program.

The committee has provided $97 million new loan authorization, of which $15 million is placed in the contingency reserve. The amount of authorization recommended is the same as requested in the budget estimate, and provided in the House bill, except that the committee recommends that $15 million be placed in the contingency reserve rather than $7 million, as proposed by the House, and an undetermined amount as proposed in the budget request which would have established a $65 million reserve for use of either the telephone or the electrification program.

Rural Electrification Administration

SALARIES AND EXPENSES

1965 appropriation	$11,934,000
1966 budget estimate	11,934,000
House bill	11,934,000
Senate committee recommendation	11,934,000
Comparisons with:	
1965 appropriation	----------
Estimate for 1966	----------
House bill	----------

The committee recommends an appropriation of $11,934,000 for the administrative expenses of the Rural Electrification Administration. This is the amount requested in the budget estimate, and approved in the House bill, and the amount appropriated in fiscal 1965.

Farmers' Home Administration

RURAL HOUSING GRANTS AND LOANS

1965 appropriation	----------
1966 budget estimate	$10,000,000
House bill	----------
Senate committee recommendation	10,000,000
Comparisons with:	
1965 appropriation	+10,000,000
Estimate for 1966	----------
House bill	+10,000,000

The committee has recommended an appropriation of $10 million for grants and loans for the purposes of section 504 of the Housing Act of 1949, as amended. This is the same amount requested in the budget estimate which had been denied by the House. The major portion of the amount recommended will be used for housing grants for low-income rural families, and some of the funds used for loans for enlargement and development of homes pursuant to authority of section 503 of the Housing Act. The committee believes that the experience with funds previously used for this purpose warrants making the appropriation as requested in the budget estimate.

The bill has been amended to carry the following language under the heading "Rural Housing Grants and Loans":

> *For grants and loans for the purposes of section 504 of the Housing Act of 1949, as amended (42 U.S.C. 1474), $10,000,000, to remain available until expended.*

DIRECT LOAN ACCOUNT

1965 authorization	($360, 000, 000)
1966 budget estimate	(340, 000, 000)
House bill	(340, 000, 000)
Senate committee recommendation	(375, 000, 000)
Comparisons with:	
1965 appropriation	(+15, 000, 000)
Estimate for 1966	(+35, 000, 000)
House bill	(+35, 000, 000)

Under the direct loan account which was authorized in the consolidated Farmers Home Administration Act of 1961, an authorization of $375 million is recommended for farm operating and for real estate loans for fiscal 1966.

This is $15 million over the 1965 authorization and is $35 million over the House bill and the budget estimate. The committee recommends that the loan authorization for farmownership loans be retained at $45 million rather than to be reduced to $10 million, as proposed in the budget. The farmownership loan program has been very carefully administered, with outstanding results, and the committee believes it would be unwise to make the reduction proposed in the budget for this type of loan. The committee has approved the increase proposed in the budget for soil and water conservation loans of from $15 million in fiscal 1965 to $30 million in 1966. The House bill had provided the increase of $15 million of lending authority which was requested in the budget estimate.

For farm operating loans, the committee recommends an authorization of $300 million, the amount provided for fiscal 1965 and the amount as requested in the budget for 1966, and approved in the House bill.

RURAL HOUSING FOR DOMESTIC FARM LABOR

1965 appropriation	----------
1966 budget estimate	$5, 000, 000
House bill	2, 000, 000
Senate committee recommendation	5, 000, 000
Comparisons with:	
1965 appropriation	+5, 000, 000
Estimate for 1966	----------
House bill	+3, 000, 000

The committee recommends an appropriation of $5 million for rural housing for domestic farm labor. This is a new program authorized by Public Law 88–560, under section 516 of the Housing Act of 1949, as amended. Under this program, low-rent housing for domestic farm laborers will be extended to State or political subdivisions or to public or private nonprofit organizations to assist them in providing housing and related facilities to be used by domestic farm laborers. It is anticipated that applicants will be able to furnish about 50 percent of the development costs of such housing.

The current farm labor shortage accentuates the need for adequate housing and the committee has recommended the amount requested for this purpose. The amount recommended is the same as the budget request and an increase of $3 million over the amount recommended in the House bill.

RURAL RENEWAL

1965 appropriation	$1, 200, 000
1966 budget estimate	3, 000, 000
House bill	1, 200, 000
Senate committee recommendation	1, 200, 000
Comparisons with:	
1965 appropriation	----------
Estimate for 1966	−1, 800, 000
House bill	----------

The rural renewal program was authorized in the Food and Agriculture Act of 1962 under section 102. Under this program technical assistance is provided to locally initiated and sponsored demonstration projects for rural renewal development projects related to conservation and land utilization.

The committee recommends an appropriation of $1,200,000 to continue the program in the five pilot demonstration projects. The amount recommended is the same as provided in the 1965 appropriation and the House bill, and a reduction of $1,800,000 in the budget estimate and the amount provided in the House bill.

The committee believes that the appropriation of $1,200,000 together with carryover funds of $500,000 will enable this program to operate satisfactorily in fiscal 1966.

RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

1965 appropriation	$5, 000, 000
1966 budget estimate	5, 000, 000
House bill	2, 500, 000
Senate committee recommendation	5, 000, 000
Comparisons with:	
1965 appropriation	----------
Estimate for 1966	----------
House bill	+2, 500, 000

The rural housing for the elderly revolving fund was established under the authority of the Senior Citizens Housing Act of 1962, Public Law 87–723, approved September 28, 1962. The direct loans made under this authorization provide modest-cost rental housing and related facilities for elderly persons and rural families of low and moderate income. Loans are made to private nonprofit corporations and consumer cooperatives.

The committee recommends an appropriation of $5 million, the amount requested in the budget estimate, the amount appropriated in fiscal 1965, and an increase of $2,500,000 over the amount recommended in the House bill. The Department advises that although there is considerable carryover of funds appropriated in prior years that applications for elderly rental housing loans have been received from 53 organizations and it is expected that the program will expand considerably before the end of fiscal 1966.

SALARIES AND EXPENSES

1965 appropriation	$41, 233, 000
1966 budget estimate	44, 692, 000
House bill	42, 733, 000
Senate committee recommendation	44, 692, 000
Comparisons with:	
1965 appropriation	+3, 459, 000
Estimate for 1966	----------
House bill	+1, 959, 000

The committee recommends an appropriation of $44,692,000 for salaries and expenses for the Farmers Home Administration to carry out the various authorized lending programs and to provide adequate service to loans already made.

The appropriation recommended is an increase of $3,459,000 over 1965 and is the amount recommended in the budget for 1966 and an increase of $1,959,000 over the amount recommended in the House bill. The increase recommended would enable the agency to alleviate manpower shortages in some of the most critical workload areas in field offices.

The responsibilities of supervision and technical assistance provided by the Farmers Home Administration, together with the new lending authorities provided in recent years, require the strengthening of existing personnel, as well as the recruitment of specialized personnel, to deal with the administrative aspects of the new lending programs.

The committee has concurred in the action of the House to provide $500,000 of administrative expenses for temporary field employment which may be financed from the various loan program authorizations.

The committee has also stricken from the bill language which precluded the administration of a program for rural housing grants and loans. This action is consistent with the committee recommendation to provide an appropriation of $10 million for rural housing grants and loans, as requested in the budget estimate for 1966.

TITLE III—CORPORATIONS

Federal Crop Insurance Corporation

ADMINISTRATIVE AND OPERATING EXPENSES

1965 appropriation	$7,478,000
1966 budget estimate	8,478,000
House bill	7,478,000
Senate committee recommendation	8,478,000
Comparisons with:	
1965 appropriation	+1,000,000
Estimate for 1966	----------
House bill	+1,000,000

The committee recommends an appropriation of $8,478,000 of direct appropriation for the administrative and operating expenses of the Federal Crop Insurance Corporation. This is an increase of $1 million over 1965, the amount of the budget estimate, and an increase of $1 million over the House bill. The House bill provided an increase of $500,000 of the budget request of $1 million but provided it under the operating expenses payable from premium income. The committee has stricken the increase made by the House under "Premium income" and provided $3,638,000 from that source. This is the amount authorized in 1965 and the budget estimate for 1966.

The total amount thus made available for administrative expenses by direct appropriation and by expenses payable from premium income is $12,116,000, an increase of $1 million over 1965 and $500,000 over the amount provided in the House bill.

The committee has stricken from the bill a provision requested in the budget estimate and approved by the House which would provide authority for the Federal Crop Insurance Corporation to meet indemnity payments and other charges from its corporate funds by borrow-

ing such amounts as may be necessary from the Commodity Credit Corporation. The language stricken from the bill follows:

> : *Provided,* That in the event the Federal Crop Insurance Corporation Fund is insufficient to meet indemnity payments and other charges against such Fund, such additional amounts as may be necessary may be borrowed from the Commodity Credit Corporation under such terms and conditions as the Secretary may prescribe, but repayment of such amount shall include interest at a rate not less than the cost of money to the Commodity Credit Corporation for a comparable period

Commodity Credit Corporation

REIMBURSEMENT FOR NET REALIZED LOSSES

1965 appropriation	$2,674,000,000
1966 budget estimate	2,300,000,000
House bill	2,300,000,000
Senate committee recommendation	3,226,800,000
Comparisons with:	
1965 appropriation	+552,800,000
Estimate for 1966	+926,800,000
House bill	+926,800,000

The committee recommends an appropriation of $3,226,800,000 to fully reimburse the Commodity Credit Corporation for the net realized losses incurred in fiscal 1964 in the conduct of regular price-support, export, supply, and related farm program costs. The amount recommended covers the full realized loss for fiscal 1964 and is $926,800,000 over the House bill and the budget estimate, and $552,800,000 over the 1965 appropriations.

Public Law 87–155, approved August 17, 1961, authorizes the restoration of capital impairment by reimbursement appropriation. The Congress has not always appropriated the full amount requested in the budget for this item but the committee believes that the executive branch has the responsibility for requesting the Congress that the full losses be reimbursed as provided by law. Therefore, in order to clean up part of the unreimbursed loss which has accrued in recent years, the committee is recommending the necessary appropriation to reimburse for fiscal 1964. There still remain unreimbursed losses going back to fiscal 1961 in the amount of $1,057 million plus $80.9 million for losses incurred in fiscal 1963 for a total of $1,137,900,000 of unreimbursed prior year losses.

The committee expects that the action taken will encourage the Bureau of the Budget to approve requests from the Department to clean up the balances referred to at an early date, and in accordance with requirements of law.

The action of the committee does not increase in any respect the rate of expenditures of the Commodity Credit Corporation for the various authorized farm programs for fiscal 1966, but simply moves in the direction of appropriating for realized losses incurred in prior years as authorized by law and in line with the practice followed until recent years.

The committee has stricken from the House-passed bill the provision that eliminates the requirement that CCC unreimbursed losses shall

no longer bear interest charges after July 1, 1964. The committee is sympathetic with the interest provision and will concur in its approval following action to request proper and full reimbursement of all outstanding unreimbursed losses.

LIMITATION ON ADMINISTRATIVE EXPENSES

1965 appropriation	($37,351,000)
1966 budget estimate	(36,650,000)
House bill	(36,650,000)
Senate committee recommendation	(36,650,000)
Comparisons with:	
1965	(−701,000)
Estimate for 1966	----------
House bill	----------

For the limitation on administrative expenses of the Commodity Credit Corporation the committee recommends $36,650,000, as requested in the budget estimate, and approved in the House bill. This is $701,000 under the expense limitation for 1965 and is the result of reduced operating costs.

The committee has concurred in the proposal in the budget to discontinue direct payments from corporate funds for part of the fluid milk purchased by the Veterans' Administration and by the Defense Department. The estimated reduction in expenditures for this purpose is $26.7 million. The Commodity Credit Corporation will continue to make available dairy products to these and other Government agencies acquired under the regular dairy price support operations.

Public Law 480

By titles	1965 appropriation	1966 estimate	1966 House bill	Senate committee
I. Sale of commodities for foreign currencies	$1,862,000,000	$1,144,000,000	$1,144,000,000	$1,144,000,000
II. Emergency famine relief to friendly peoples	220,453,000	298,500,000	298,500,000	298,500,000
IV. Long-term credit and supply contracts	235,000,000	215,500,000	215,500,000	215,500,000
Total	2,317,453,000	1,658,000,000	1,658,000,000	1,658,000,000

The committee recommends a total appropriation of $1,658 million for the foreign assistance programs financed pursuant to authorizations under Public Law 480 as amended. The committee has denied the request in the budget to consolidate the appropriation for the various titles and has reinstated language to the bill making the appropriations by titles in accordance with the procedure in prior years. The action of the committee is in line with the action it has taken under the appropriation for unreimbursed losses of the Commodity Credit Corporation. The committee believes that every effort should be made to keep the appropriations for various titles of Public Law 480 separate and distinct in order that those interested in knowing what appropriations have been made pursuant to authorizations will be able to compute them more readily.

For title I, "Sale of Commodities for Foreign Currencies," the committee recommends an appropriation of $1,144 million. This is a decrease of $718 million below the appropriation for 1965 of $1,862

million and is the amount of the budget estimate, and the amount provided in the House bill.

Under title II, commodities disposed of for emergency famine relief to friendly peoples, the committee recommends $298,500,000. This is an increase of $78,047,000 over the appropriation for 1965 of $220,453,000 and is the amount requested in the estimate and provided in the House bill.

Under title IV, long-term credit and supply contracts, the committee recommends an appropriation of $215,500,000. This is a decrease of $19,500,000 under the appropriation for 1965 of $235 million, the amount of the estimate and the amount carried in the House bill.

INTERNATIONAL WHEAT AGREEMENT

1965 appropriation	$81, 838, 000
1966 budget estimate	27, 544, 000
House bill	27, 544, 000
Senate committee recommendation	27, 544, 000
Comparisons with:	
1965 appropriation	−54, 294, 000
Estimate for 1966	----------
House bill	----------

An appropriation of $27,544,000 is recommended for expenses during fiscal 1966 of the International Wheat Agreement. This is a reduction of $54,294,000 under the appropriation for 1965, due principally to the reduction in the export payment rate. The amount recommended is the same as the budget request and the amount provided in the House bill.

Bartered materials for supplemental stockpile.—The bill does not include any appropriation for bartered materials for supplemental stockpile. Subsequent to passage of the bill in the House, the Bureau of the Budget transmitted an amendment to the budget, Senate Document 38, eliminating any budget estimate for bartered materials for the supplemental stockpile. The committee has concurred in the request in the budget amendment. Earlier the House action had reduced the then budget request of $52,500,000 to $30 million. The appropriation for 1965 was $92,860,000.

The Bureau of the Budget advises that the review of agreements involving the acquisition of strategic materials for stockpiling is now underway and pending completion of this review no new barter arrangements will be initiated involving strategic materials. It is expected that the funds appropriated in 1965 will be sufficient to cover the cost of commodities acquired during fiscal 1966 under completed contracts and transferred to the stockpile.

TITLE IV—RELATED AGENCIES

Farm Credit Administration

LIMITATION ON ADMINISTRATIVE EXPENSES

1965 limitation	($2, 931, 000)
1966 budget estimate	(2, 990, 000)
House bill	(2, 990, 000)
Senate committee recommendation	(2, 990, 000)
Comparisons with:	
1965 appropriation	(+59, 000)
Estimate for 1966	----------
House bill	----------

The Farm Credit Administration supervises, examines, and provides facilities and services to a coordinated system of farm credit banks and associations which make loans to farmers and farm cooperatives. All expenses of these activities are paid by assessments collected from the banks and associations of the farm credit system.

The committee recommends an administrative expense limitation of $2,990,000 for fiscal 1966. This is the amount requested in the budget estimate and provided in the House bill. The increase of $59,000 over 1965 is necessary to cover the cost of vacancies which will be filled for the full fiscal year of 1966. The increased demand for credit by farmers and farm cooperatives has resulted in the loans reaching a new peak. As of June 30, 1964, outstanding loans totaled $6.9 billion, an increase of $600 million over the previous year.

National Commission on Food Marketing

1965 appropriation	$700, 000
1966 budget estimate	1, 500, 000
House bill	750, 000
Senate committee recommendation	1, 500, 000
Comparisons with:	
1965 appropriation	+800, 000
Estimate for 1966	---------
House bill	+750, 000

The committee recommends an appropriation of $1,500,000 for the expenses of the National Commission on Food Marketing. This is the amount requested in the budget estimate and an increase of $750,000 over the amount recommended by the House. The Food Commission is temporary and was created on a bipartisan basis on July 3, 1964, pursuant to Public Law 88–354, to conduct an independent and broad-scale study of the marketing structure and the related food industries.

As set forth in the authorizing legislation, the duties of the Commission are to study and appraise—

1. The actual changes, principally in the past two decades, in the various segments of the food industry;
2. The changes likely to materialize if present trends continue;
3. The kind of food industry that would assure efficiency of production, assembly, processing, and distribution; provide appropriate services to consumers; and yet maintain acceptable competitive alternatives of procurement and sales in all segments of the industry from producer to consumer;

4. The changes in statutes or public policy; the organization of farming and of food assembly, processing, and distribution; and the interrelationships between segments of the food industry which would be appropriate to achieve a desired distribution of power as well as desired levels of efficiency;

5. The effectiveness of the services, including the dissemination of market news, and regulatory activities of the Federal Government in terms of present and probable developments in the industry; and

6. The effect of imported food on U.S. producers, processors, and consumers.

While it is true, as stated in the House committee report, that the Department of Agriculture has been studying marketing and the spread of margin studies of food and other related commodities, the Commission was authorized to make an independent examination into any and all phases of existing governmental programs, as well as to examine into trends in agricultural production, food processing, marketing, and retailing, and related activities beyond the scope of existing governmental agencies.

The committee expects the work of the Commission to terminate July 1, 1966, as scheduled, and believes that it should be provided with the necessary funds to pay the cost of conducting the independent review of food marketing and related activities, as authorized by law and for which the Commission program has been developed and is well underway.

PERMANENT APPROPRIATIONS

Item	Appropriations, 1965	Budget estimates, 1966	Increase or decrease
Consumer and Marketing Service:			
Removal of surplus agricultural commodities (sec. 32)	$378,907,331	$390,000,000	+$11,092,669
Perishable Agricultural Commodities Act fund	895,000	953,000	+58,000
Total, Agricultural Marketing Service	379,802,331	390,953,000	+11,150,669
Agricultural Stabilization and Conservation Service: National Wool Act	87,769,762	31,499,000	−56,270,762
Total, permanent appropriations	467,572,093	422,452,000	−45,120,093

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1965 AND ESTIMATES AND AMOUNTS RECOMMENDED IN BILL FOR 1966

H. Doc. No.	Item	Appropriations, 1965 (adjusted) [1]	Budget estimates, 1966	Recommended in House bill for 1966	Amount recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
						Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill
	TITLE I—GENERAL ACTIVITIES							
	Agricultural Research Service:							
154	Salaries and expenses:							
	Research:							
	By appropriation	$122,599,000	$116,892,000	$114,394,000	$124,369,800	+$1,770,800	+$7,477,800	+$9,975,800
	By transfer from sec. 32	(11,775,000)	(24,600,000)	(24,600,000)	(16,600,000)	(+4,825,000)	(−8,000,000)	(−8,000,000)
	Total available	(134,374,000)	(141,492,000)	(138,994,000)	(140,969,800)	(+6,595,800)	(−522,200)	(+1,975,800)
	Plant and animal disease and pest control	[2] 71,169,200	73,160,000	71,119,000	75,060,000	+3,890,800	+1,900,000	+3,941,000
	Total, salaries and expenses	[3] 193,768,200	[3] 190,052,000	[4] 185,513,000	[4] 199,429,800	+5,661,600	+9,377,800	+13,916,800
	Salaries and expenses (special foreign currency program)	2,000,000	4,000,000	2,000,000	4,000,000	+2,000,000		+2,000,000
	Total, Agricultural Research Service	195,768,200	194,052,000	187,513,000	203,429,800	+7,661,600	+9,377,800	+15,916,800
	Cooperative State Research Service: Payments and expenses	49,997,000	[5] 52,367,000	[5] 51,695,000	[5] 55,695,000	+5,698,000	+3,328,000	+4,000,000
	Extension Service:							
	Payments to States and Puerto Rico	71,919,000	72,800,000	72,800,000	75,600,000	+3,681,000	+2,800,000	+2,800,000
	Retirement costs for extension agents	7,510,000	7,857,000	7,857,000	7,857,000	+347,000		
	Penalty mail	3,113,000	3,113,000	3,113,000	3,113,000			
	Federal Extension Service	2,565,000	2,565,000	2,565,000	2,565,000			
	Total, Extension Service	85,107,000	86,335,000	86,335,000	89,135,000	+4,028,000	+2,800,000	+2,800,000

See footnotes at end of table, p. 50.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

H. Doc. No.	Item	Appropriations, 1965 (adjusted) [1]	Budget estimates, 1966	Recommended in House bill for 1966	Amount recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
						Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill
	TITLE I—GENERAL ACTIVITIES—Con.							
	Farmer Cooperative Service	$1,141,000	$1,241,000	$1,141,000	$1,241,000	+$100,000		+$100,000
	Soil Conservation Service:							
	Conservation operations	104,233,000	104,103,000	105,373,000	106,373,000	+2,140,000	+$2,270,000	+1,000,000
	Watershed planning	5,721,000	5,721,000	5,721,000	5,721,000			
	Watershed protection	61,020,000	67,171,000	64,171,000	65,671,000	+4,651,000	−1,500,000	+1,500,000
	Flood prevention	26,317,000	25,417,000	25,417,000	25,417,000	−900,000		
	Great Plains conservation program	14,864,000	14,864,000	14,864,000	17,432,000	+2,568,000	+2,568,000	+2,568,000
	Resource conservation and development	1,813,000	4,303,000	2,813,000	4,303,000	+2,490,000		+1,490,000
	Total, Soil Conservation Service	213,968,000	221,579,000	218,359,000	224,917,000	+10,949,000	+3,338,000	+6,558,000
	Economic Research Service: Salaries and expenses	10,922,000	11,366,000	11,072,000	11,591,000	+669,000	+225,000	+519,000
154	Statistical Reporting Service: Salaries and expenses	11,866,000	13,595,000	13,595,000	13,875,000	+2,009,000	+280,000	+280,000
	Consumer and Marketing Service:							
154	Consumer protective, marketing, and regulatory programs	73,752,000	76,437,000	75,852,000	76,412,000	+2,660,000	−25,000	+560,000
	Payments to States and possessions	1,500,000	1,500,000	1,500,000	2,000,000	+500,000	+500,000	+500,000
	Special milk program	[6] 51,500,000	100,000,000	100,000,000	108,000,000	+56,500,000	+8,000,000	+8,000,000
	School lunch program	[7] 146,400,000	[7] 157,000,000	[7] 155,000,000	[7] 155,000,000	+8,600,000	−2,000,000	
	Food stamp program	[8] 25,000,000	100,000,000	100,000,000	[9] 80,000,000	+55,000,000	−20,000,000	−20,000,000
	Total, Consumer and Marketing Service	298,152,000	434,937,000	432,352,000	421,412,000	+123,260,000	−13,525,000	−10,940,000

See footnotes at end of table, p. 50.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

H. Doc. No.	Item	Appropriations, 1965 (adjusted) [1]	Budget estimates, 1966	Recommended in House bill for 1966	Amount recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
						Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill
	TITLE I—GENERAL ACTIVITIES—Con.							
	Foreign Agricultural Service: Salaries and expenses	[10] $20,779,000	[10] $20,574,000	[10] $20,574,000	[10] $20,574,000	−$205,000		
	Commodity Exchange Authority	1,169,000	1,169,000	1,169,000	1,169,000			
	Agricultural Stabilization and Conservation Service:							
	Expenses, Agricultural Stabilization and Conservation Service	[11] 108,552,000	138,350,000	[11] 111,714,000	[12] 135,350,000	+26,798,000	−$3,000,000	+$23,636,000
	Sugar Act Program	[13] 96,000,000	95,000,000	95,000,000	95,000,000	−1,000,000		
	Agricultural conservation program	225,000,000	220,000,000	220,000,000	220,000,000	−5,000,000		
	Cropland conversion program	15,000,000	10,000,000	7,500,000	10,000,000	−5,000,000		+2,500,000
	Conservation reserve program	194,000,000	150,000,000	140,000,000	146,000,000	−48,000,000	−4,000,000	+6,000,000
S. 38	Emergency conservation measures	[14] 14,000,000	[15] 24,000,000	4,000,000	30,000,000	+16,000,000	+6,000,000	+26,000,000
	Total, Agricultural Stabilization and Conservation Service	652,552,000	637,350,000	578,214,000	636,350,000	−16,202,000	−1,000,000	+58,136,000
	Rural Community Development Service	132,000	750,000	500,000	750,000	+618,000		+250,000
	Office of Inspector General	10,116,000	10,961,000	10,416,000	10,491,000	+375,000	−470,000	+75,000
	Office of General Counsel	4,039,000	4,229,000	4,139,000	4,229,000	+190,000		+90,000
	Office of Information	1,689,000	1,689,000	1,689,000	1,689,000			
	National Agricultural Library:							
	Salaries and expenses	1,599,000	1,865,000	1,599,000	1,865,000	+266,000		+266,000
	Library facilities		7,000,000	7,000,000	7,000,000	+7,000,000		
	Office of Management Services	2,483,000	2,579,000	2,483,000	2,500,000	+17,000	−79,000	+17,000
	General administration	3,553,000	3,848,000	3,848,000	3,848,000	+295,000		
	Total, title I, general activities	1,565,032,200	1,707,486,000	1,633,693,000	1,711,760,800	+146,728,600	+4,274,800	+78,067,800

See footnotes at end of table, p. 50

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

H. Doc. No.	Item	Appropriations, 1965 (adjusted) [1]	Budget estimates, 1966	Recommended in House bill for 1966	Amount recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
						Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill
	TITLE II—CREDIT AGENCIES							
	Rural Electrification Administration:							
	Loan authorizations:							
	Electrification	[16] $(365,000,000)	[17] $(350,000,000)	[17] $(350,000,000)	[18] $(380,000,000)	$(+15,000,000)	$(+30,000,000)	$(+30,000,000)
	Telephone	[19] (70,000,000)	(97,000,000)	[19] (97,000,000)	[20] (97,000,000)	(+27,000,000)	(----------)	(----------)
	Total, loan authorizations	(435,000,000)	(447,000,000)	(447,000,000)	(477,000,000)	(+42,000,000)	(+30,000,000)	(+30,000,000)
	Salaries and expenses	11,934,000	11,934,000	11,934,000	11,934,000	----------	----------	----------
	Total, Rural Electrification Administration	11,934,000	11,934,000	11,934,000	11,934,000	----------	----------	----------
	Farmers Home Administration:							
	Rural housing grants and loans	----------	10,000,000	----------	10,000,000	+10,000,000	----------	+10,000,000
	Direct loan account:							
	Real estate loans	(60,000,000)	(40,000,000)	(40,000,000)	(75,000,000)	(+15,000,000)	(+35,000,000)	(+35,000,000)
	Operating loans	[21] (300,000,000)	[21] (300,000,000)	[21] (300,000,000)	[21] (300,000,000)	(----------)	(----------)	(----------)
	Total, direct loan account	(360,000,000)	(340,000,000)	(340,000,000)	(375,000,000)	(+15,000,000)	(+35,000,000)	(+35,000,000)
	Rural housing for domestic farm labor	----------	5,000,000	2,000,000	5,000,000	+5,000,000	----------	+3,000,000
	Rural renewal	1,200,000	3,000,000	1,200,000	1,200,000	----------	−1,800,000	----------
	Rural housing for the elderly revolving fund	5,000,000	5,000,000	2,500,000	5,000,000	----------	----------	+2,500,000
	Salaries and expenses	41,233,000	44,692,000	42,733,000	44,692,000	+3,459,000	----------	+1,959,000
	Total, Farmers Home Administration	47,433,000	67,692,000	48,433,000	65,892,000	+18,459,000	−1,800,000	+17,459,000
	Total title II, credit agencies:							
	Loan authorizations	(795,000,000)	(787,000,000)	(787,000,000)	(852,000,000)	(+57,000,000)	(+65,000,000)	(+65,000,000)
	Direct appropriation	59,367,000	79,626,000	60,367,000	77,826,000	+18,459,000	−1,800,000	+17,459,000

See footnotes at end of table, p. 50.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

H. Doc. No.	Item	Appropriations, 1965 (adjusted) [1]	Budget estimates, 1966	Recommended in House bill for 1966	Amount recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
						Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill
	TITLE III—CORPORATIONS							
	Federal Crop Insurance Corporation:							
	Administrative and operating expenses:							
	Appropriation	$7,478,000	$8,478,000	$7,478,000	$8,478,000	+$1,000,000	----------	+$1,000,000
	Premium income	(3,638,000)	(3,638,000)	(4,138,000)	(3,638,000)	----------	----------	(−500,000)
	Commodity Credit Corporation:							
	Reimbursement for net realized losses	2,674,000,000	2,300,000,000	2,300,000,000	3,226,800,000	+552,800,000	+$926,800,000	+926,800,000
	Limitation on administrative expenses	(37,351,000)	(36,650,000)	(36,650,000)	(36,650,000)	(−701,000)	(----------)	(----------)
	Public Law 480:							
	Sales for foreign currencies	1,862,000,000	1,658,000,000	1,658,000,000	1,144,000,000	−718,000,000	----------	----------
	Emergency famine relief	220,453,000			298,500,000	+78,047,000	----------	----------
	Long-term supply contracts	235,000,000			215,500,000	−19,500,000	----------	----------
	Total, Public Law 480	2,317,453,000	1,658,000,000	1,658,000,000	1,658,000,000	−659,453,000	----------	----------
	International Wheat Agreement	81,838,000	27,544,000	27,544,000	27,544,000	−54,294,000	----------	----------
S. 38	Bartered materials for supplemental stockpile	92,860,000	([22])	30,000,000	----------	−92,860,000	----------	−30,000,000
	Total, title III, corporations	5,173,629,000	3,994,022,000	4,023,022,000	4,920,822,000	−252,807,000	+926,800,000	+897,800,000
	TITLE IV—RELATED AGENCIES							
	Farm Credit Administration: Limitation on administrative expenses	(2,931,000)	(2,990,000)	(2,990,000)	(2,990,000)	(+59,000)	(----------)	(----------)
	National Commission on Food Marketing	700,000	1,500,000	750,000	1,500,000	+800,000	----------	+750,000
	Total, title IV, related agencies	700,000	1,500,000	750,000	1,500,000	+800,000	----------	+750,000

See footnotes at end of table, p. 50.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

H. Doc. No.	Item	Appropriations, 1965 (adjusted) [1]	Budget estimates, 1966	Recommended in House bill for 1966	Amount recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
						Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill
	APPALACHIAN REGIONAL DEVELOPMENT							
	Agricultural Research Service: Salaries and expenses, Research	$100,000				−$100,000		
	Cooperative State Research Service: Payments and expenses	300,000				−300,000		
	Extension Service:							
	Payments to States and Puerto Rico	717,500				−717,500		
	Retirement costs for extension agents	32,500				−32,500		
	Total, Extension Service	750,000				−750,000		
	Soil Conservation Service:							
	Conservation operations	1,575,000				−1,575,000		
	Watershed planning	600,000				−600,000		
	Watershed protection	10,220,000				−10,220,000		
	Total, Soil Conservation Service	12,395,000				−12,395,000		
	Economic Research Service: Salaries and expenses	300,000				−300,000		
	Agricultural Stabilization and Conservation Service:							
	Appalachian region conservation program	7,000,000				−7,000,000		
	Farmers Home Administration:							
	Salaries and expenses	325,000				−325,000		
	Direct loan account	7,100,000				−7,100,000		

See footnotes at end of table, p. 50.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

H. Doc. No.	Item	Appropriations, 1965 (adjusted) [1]	Budget estimates, 1966	Recommended in House bill for 1966	Amount recommended by Senate committee	Increase (+) or decrease (−), Senate bill compared with—		
						Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill
	APPALACHIAN REGIONAL DEVELOPMENT—Continued							
	Rural Community Development Service: Salaries and expenses	$50,000				−$50,000		
	Total, Appalachian regional development	28,320,000				−28,320,000		
	Total appropriations:							
	Title I—General activities	1,565,032,200	$1,707,486,000	$1,633,693,000	$1,711,760,800	+146,728,600	+$4,274,800	+$78,067,800
	Title II—Credit agencies	59,367,000	79,626,000	60,367,000	77,826,000	+18,459,000	−1,800,000	+17,459,000
	Title III—Corporations	5,173,629,000	3,994,022,000	4,023,022,000	4,920,822,000	−252,807,000	+926,800,000	+897,800,000
	Title IV—Related agencies	700,000	1,500,000	750,000	1,500,000	+800,000		+750,000
	Appalachian Regional Development	28,320,000				−28,320,000		
	Grand total	6,827,048,200	5,782,634,000	5,717,832,000	6,711,908,800	−115,139,400	+929,274,800	+994,076,800

[1] Includes funds for pay act costs appropriated in Second Supplemental Appropriation Act, 1965.
[2] Includes $650,000 for screw-worm eradication appropriated in Second Supplemental Appropriation Act, 1965.
[3] In addition, reappropriation of $1,000,000 proposed for special fund.
[4] In addition, reappropriation of $2,000,000 proposed for special fund.
[5] In addition, transfer of $400,000 from section 32 proposed.
[6] Plus $51,500,000 by transfer from sec. 32 funds.
[7] In addition, $45,000,000 transfer from sec. 32 funds authorized.
[8] Plus $35,000,000 by transfer from sec. 32 funds.
[9] In addition, $20,000,000 to be reappropriated and merged with this account.
[10] In addition, $3,117,000 transfer from sec. 32 funds authorized.
[11] In addition, transfers from Commodity Credit Corporation provided as follows: Fiscal year 1965, $97,508,000; fiscal year 1966, $96,615,000.
[12] In addition, $75,390,000 to be transferred from Commodity Credit Corporation.
[13] Includes $6,000,000 appropriated in Second Supplemental Appropriation Act, 1965.
[14] Includes $10,000,000 appropriated in Second Supplemental Appropriation Act, 1965.
[15] Includes increase of $20,000,000 proposed by budget amendment transmitted by S. Doc. 38.
[16] Includes $90,000,000 reserve authorization.
[17] Includes $65,000,000 reserve authorization.
[18] Includes $50,000,000 reserve authorization.
[19] Includes $7,000,000 reserve authorization.
[20] Includes $15,000,000 reserve authorization.
[21] Includes $50,000,000 reserve authorization.
[22] Amount of $52,500,000 deleted in budget amendment transmitted by S. Doc. 38.

○

Calendar No. 409

89TH CONGRESS
1ST SESSION

H. R. 8370

[Report No. 423]

IN THE SENATE OF THE UNITED STATES

MAY 27, 1965

Read twice and referred to the Committee on Appropriations

JULY 6, 1965

Reported by Mr. HOLLAND, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes; namely:

DEPARTMENT OF AGRICULTURE

TITLE I—GENERAL ACTIVITIES

Agricultural Research Service

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, marketing, nutrition and consumer use, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work: *Provided,* That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further,* That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further,* That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed $20,000, except for six buildings to be constructed or improved at a cost not to exceed $45,000 each, and the cost of altering any one building

during the fiscal year shall not exceed $7,500 or 7.5 per centum of the cost of the building, whichever is greater: *Provided further,* That the limitations on alterations contained in this Act shall not apply to a total of $100,000 for facilities at Beltsville, Maryland:

Research: For research and demonstrations on the production and utilization of agricultural products; agricultural marketing and distribution, not otherwise provided for; home economics or nutrition and consumer use of agricultural and associated products; and related research and services; and for acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed $100; ~~$114,394,000, of which not to exceed $10,393,000 shall remain available until expended for construction, alteration, and improvement of facilities, without regard to limitations contained herein~~ *$114,836,800, plus the following amounts, to remain available until expended for the construction, alteration, and equipping of the following research facilities: $1,840,000 for the construction of an insect attractants and stored-products insects laboratory, Gainesville, Florida; $2,990,000 for the construction of a livestock insects and toxicology laboratory, College Station, Texas; $500,000 for the modification of the chemical weed control laboratory, authorized in 1964, for monitoring the impact of pesticides on the environment, Stoneville, Mississippi; $644,000 for the construction of a*

cotton disease laboratory, College Station, Texas; $92,000 for the construction of cotton-ginning facilities, Mesilla Park, New Mexico; $1,150,000 for the construction of a laboratory for physiology and cotton insects, Tempe, Arizona; $92,000 for the construction of a ginning laboratory facility, Stoneville, Mississippi; $506,000 for the construction of a cotton physiology laboratory, Stoneville, Mississippi; $500,000 for plans and construction of a laboratory for poultry research, Georgetown, Delaware; $500,000 for plans and construction of a water pollution laboratory, Durant, Oklahoma; $719,000 for alteration of facilities at the Agricultural Research Center, Beltsville, Maryland; in all $124,369,800, and in addition not to exceed ~~$24,600,000~~ *$16,600,000* from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88–250 to be transferred to and merged with this appropriation: *Provided,* That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113 (a)) ;

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b–c),

~~$71,119,000~~ *$75,060,000*, of which $1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by any State of at least 40 per centum: *Provided further, That hereafter no funds in excess of $250,000 shall be available for carrying out the screw-worm eradication program that does not require minimum matching by State and local sources of at least 50 per centum of the expenses of production, irradiation, and release of screw-worm flies*: *Provided further*, That, in addition, in emergencies which threaten the livestock or poultry industries of the country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for expenses in accordance with the Act of February 28, 1947, as amended, and any unexpended balances of funds transferred

under this head in the next preceding fiscal year shall be merged with such transferred amounts;

Special fund: To provide for additional labor, sub-professional and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than $2,000,000 of the amount appropriated under this head for the previous fiscal year may be used by the Administrator of the Agricultural Research Service in departmental research programs in the current fiscal year, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments, in foreign currencies owed to or owned by the United States for market development research authorized by section 104 (a) and for agricultural and forestry research and other functions related thereto authorized by section 104 (k) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704 (a) (k)), to remain available until expended, ~~$2,000,000~~ *$4,000,000*: *Provided,* That this appropriation shall be available in addition to other appropriations for these purposes, for payments in the foregoing currencies: *Provided further,* That funds appropriated herein shall be used for

payments in such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph: *Provided further*, That not to exceed $25,000 of this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

COOPERATIVE STATE RESEARCH SERVICE

PAYMENTS AND EXPENSES

For payments to agricultural experiment stations, for grants for cooperative forestry research, for basic scientific research, and for facilities, and for other expenses, including ~~$47,113,000~~ *$48,113,000* to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a–361i), including administration by the United States Department of Agriculture; ~~$2,000,000~~ *$3,000,000* for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a—582a 7)~~; and not to exceed $400,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88-250 to be transferred and merged with this appropriation~~; *$2,000,000*

in addition to funds otherwise available for grants for support of basic scientific research under the Act approved September 6, 1958 (42 U.S.C. 1891–1893); $2,000,000 for grants for facilities under the Act approved July 22, 1963 (77 Stat. 90); $310,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and $272,000 for necessary expenses of the Cooperative State Research Service, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $50,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); in all, ~~$51,695,000~~ *$55,695,000.*

Extension Service

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341–349), ~~$71,230,000~~ *$74,030,000*; and payments and contracts for such work under section 204(b)–205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623–1624), $1,570,000; in all, ~~$72,800,000~~ *$75,600,000*: *Provided,* That funds hereby appropriated pursuant to sec-

tion 3 (c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement and Employees' Compensation costs for extension agents: For cost of employer's share of Federal retirement and for reimbursement for benefits paid from the Employees' Compensation Fund for cooperative extension employees, $7,857,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, $3,113,000.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341–349), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, $2,565,000.

Farmer Cooperative Service

salaries and expenses

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451–457), and for conducting research relating to the economic and marketing aspects of farmer co-

operatives, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), ~~$1,141,000~~ *$1,241,000*.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soil; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, ~~$105,373,000~~ *$106,373,000*: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed $2,500, except for one building to be constructed at a cost not to exceed $25,000 and eight buildings to be constructed or improved at a cost not to exceed $15,000 per building and except that alterations or improvements to other existing permanent buildings costing $2,500 or more may be made in any fiscal year in an

amount not to exceed $500 per building: *Provided further,* That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further,* That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a–590f) in demonstration projects: *Provided further,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $5,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further,* That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service.

WATERSHED PLANNING

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001–1008), to remain available until expended, $5,721,000, with which shall be merged the unexpended balances of funds heretofore appropriated under this head: *Provided,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of

the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $50,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

WATERSHED PROTECTION

For necessary expenses to conduct river basin surveys and investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001–1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), to remain available until expended, ~~$64,171,000~~ *$65,671,000*, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not to exceed ~~$4,000,000~~ *$5,500,000*, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

FLOOD PREVENTION

For necessary expenses, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701–709, 16 U.S.C. 1006a), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including funds for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $100,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain available until expended; $25,417,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided,* That not to exceed $200,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), ~~$14,864,000~~ *$17,432,000,* to remain available until expended.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development, and for sound land use, pursuant to the provisions of section 32 (e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), ~~$2,813,000~~ *$4,303,000*, to remain available until expended: *Provided*, That not to exceed ~~$1,000,000~~ *$1,500,000* of such amount shall be available for loans and related expenses under subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $50,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Economic Research Service

SALARIES AND EXPENSES

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and other laws, including economics of marketing; analyses relating to farm prices, income and

population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; ~~$11,072,000~~ *$11,591,000*: *Provided*, That not less than $350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not less than $145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

STATISTICAL REPORTING SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, ~~$13,595,000~~ *$13,875,000*: *Provided*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $40,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

CONSUMER AND MARKETING SERVICE

CONSUMER PROTECTIVE, MARKETING, AND REGULATORY PROGRAMS

For expenses necessary to carry on services related to consumer protection, agricultural marketing and distribution, and regulatory programs, as authorized by law, and for administration and coordination of payments to States; and

this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $25,000 shall be available for employment at rates not to exceed $75 per diem under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946; ~~$75,852,000~~ *$76,412,000.*

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), ~~$1,500,000~~ *$2,000,000.*

SPECIAL MILK PROGRAM

For necessary expenses to carry out the Special Milk Program, as authorized by the Act of August 8, 1961 (7 U.S.C. 1446, note), ~~$100,000,000~~ *$108,000,000.*

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act, as amended (42 U.S.C. 1751–1760), $155,000,000: *Provided,* That no part of this appro-

priation shall be used for nonfood assistance under section 5 of said Act: *Provided further,* That $45,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act.

FOOD STAMP PROGRAM

For necessary expenses of the food stamp program pursuant to the Food Stamp Act of 1964, ~~$100,000,000~~ *$80,000,000: Provided, That, in addition, not more than $20,000,000 of the amount appropriated under this head for the previous fiscal year may be transferred to and merged with this appropriation.*

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(SECTION 32)

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, and (3) not more than $2,924,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural

Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

Foreign Agricultural Service

salaries and expenses

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $35,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), $20,574,000: *Provided,* That not less than $255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further,* That, in addition, not to exceed $3,117,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

Amounts heretofore appropriated under this head shall be available for payments in any foreign currencies owed to or owned by the United States.

Commodity Exchange Authority

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1–17a), $1,169,000.

Agricultural Stabilization and Conservation Service

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301–1393); Sugar Act of 1948, as amended (7 U.S.C. 1101–1161); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), 16(h), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g–590q; 7 U.S.C. 1010–1011); subtitles B and C of the Soil Bank Act (7 U.S.C. 1831–1837, 1802–1814, and 1816); and laws pertaining to the Commodity Credit Corporation,

~~$111,714,000~~ *$135,350,000*: *Provided*, That, in addition, not to exceed ~~$96,615,000~~ *$75,390,000* may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed $34,874,000 under the limitation on Commodity Credit Corporation administrative expenses): *Provided further*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further*, That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101–1161), $95,000,000, to remain available until June 30 of the next succeeding fiscal year.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g–590(o), 590p(a), and 590q), including not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, $220,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the programs of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Related Agencies Appropriation Acts, 1964 and 1965, carried out during the period July 1, 1963, to December 31, 1965, inclusive: *Provided*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland Types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior, Fish and

Wildlife Service Circular 39, Wetlands of the United States, 1956: *Provided further,* That necessary amounts shall be available for administrative expenses in connection with the formulation and administration of the 1966 program of soil-building and soil- and water-conserving practices, including related wildlife conserving practices, under the Act of February 29, 1936, as amended (amounting to $220,000,000, excluding administration, except that no participant shall receive more than $2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further,* That not to exceed 5 per centum of the allocation for the current year's agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made

available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current year's program $2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Con-

gress except upon request of any Member or through the proper official channels.

CROPLAND CONVERSION PROGRAM

For necessary expenses to promote the conservation and economic use of land pursuant to the provisions of section 16(e) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590p), as amended, ~~$7,500,000~~ *$10,000,000*, to remain available until expended.

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831–1837, 1802–1814, and 1816), and to carry out liquidation activities for the acreage reserve program, to remain available until expended, ~~$140,000,000~~ *$146,000,000*, with which may be merged the unexpended balances of funds heretofore appropriated for soil bank programs: *Provided*, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants.

EMERGENCY CONSERVATION MEASURES

For emergency conservation measures, to be used for the same purposes and subject to the same conditions as funds appropriated under this head in the Third Supplemental

Appropriation Act, 1957, to remain available until expended, ~~$4,000,000~~ *$30,000,000*, with which shall be merged the unexpended balances of funds heretofore appropriated for emergency conservation measures.

RURAL COMMUNITY DEVELOPMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Rural Community Development Service in providing leadership, coordination, liaison, and related services in the rural areas development activities of the Department, ~~$500,000~~ *$750,000*: *Provided,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $3,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) and not to exceed $10,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), ~~$10,416,000~~ *$10,491,000*.

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, ~~$4,139,000~~ *$4,229,000*.

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, $1,689,000, of which total appropriation not to exceed $537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be available to be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241):

Provided, That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $10,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

National Agricultural Library

salaries and expenses

For necessary expenses of the National Agricultural Library, ~~$1,599,000~~ *$1,865,000*: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $35,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

library facilities

For construction and furnishing of facilities for the National Agricultural Library, to remain available until expended, $7,000,000, with which shall be merged the unexpended balance of funds heretofore appropriated under this head.

OFFICE OF MANAGEMENT SERVICES

SALARIES AND EXPENSES

For necessary expenses to enable the Office of Management Services to provide management support services to selected agencies and offices of the Department of Agriculture, ~~$2,483,000~~ *$2,500,000*.

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, including expenses of the National Agricultural Advisory Commission; repairs and alterations; and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, $3,848,000: *Provided,* That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C. 1001) : *Provided further,* That not to exceed $2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary*: Provided further, That*

$60,000 of this amount shall be available only for the purpose of Public Law 88–584, approved September 7, 1964, to establish Federal agricultural services to Guam.

TITLE II—CREDIT AGENCIES

Rural Electrification Administration

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901–924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, as follows: Rural electrification program, ~~$350,000,000~~ *$380,000,000*, of which ~~$65,000,000~~ *$50,000,000* shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone program, $97,000,000, of which ~~$7,000,000~~ *$15,000,000* shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural telephone program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed $500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $150,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), $11,934,000.

FARMERS HOME ADMINISTRATION

Rural Housing Grants and Loans

For grants and loans for the purposes of section 504 of the Housing Act of 1949, as amended (42 U.S.C. 1474), $10,000,000, to remain available until expended.

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335(a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, ~~$40,000,000~~ *$75,000,000*; and operating loans, $300,000,000, of which $50,000,000 shall be placed in reserve to be used only to the extent required during the current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program.

RURAL HOUSING FOR DOMESTIC FARM LABOR

For financial assistance to public nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (78 Stat. 796–798), ~~$2,000,000~~ *$5,000,000*, to remain available until expended.

RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, $1,200,000, to remain available until expended.

RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

For loans pursuant to section 515(a) of the Housing Act of 1949, as amended (42 U.S.C. 1485), including advances pursuant to section 335(a) of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1985) in connection with security for such loans, ~~$2,500,000~~ *$5,000,000*.

SALARIES AND EXPENSES

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, title V of the Housing Act of 1949, as amended (42 U.S.C.

1471–1484), and the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440–444); ~~$42,733,000~~ *$44,692,000,* together with not more than $2,250,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farmers Home Administration Act of 1961, as amended, and section 514(b)(3) of the Housing Act of 1949, as amended: *Provided,* That, in addition, not to exceed $500,000 of the funds available for the various programs administered by this Agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) to meet unusual or heavy workload increases~~:~~ ~~*Provided further,* That no part of any funds in this paragraph may be used to administer a program which makes rural housing grants pursuant to section 504 of the Housing Act of 1949, as amended~~.

TITLE III—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be

necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, ~~$7,478,000~~ *$8,478,000.*

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed ~~$4,138,000~~ *$3,638,000* of administrative and operating expenses may be paid from premium income: *Provided,* ~~That in the event the Federal Crop Insurance Corporation Fund is insufficient to meet indemnity payments and other charges against such Fund, such additional amounts as may be necessary may be borrowed from the Commodity Credit Corporation under such terms and conditions as the Secretary may prescribe, but repayment of such amount shall include interest at a rate not less than the cost of money to the Commodity Credit Corporation for a comparable period.~~

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

To partially reimburse the Commodity Credit Corporation for net realized losses sustained but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a–11, 713a–12), ~~$2,300,000,000~~ *$3,226,800,000*: ~~*Provided,* That after June 30, 1964, the portion of borrowings~~

~~from Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after June 30 of the fiscal year in which such losses are realized, shall not bear interest and interest shall not be accrued or paid thereon.~~

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided,* That not to exceed $36,650,000 shall be available for administrative expenses of the Corporation: *Provided further,* That $945,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further,* That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further,* That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses

of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.

PUBLIC LAW 480

~~For expenses during fiscal year 1966, not otherwise recoverable during such year, and unrecovered prior years' costs, including interest thereon, under titles I, II, and IV of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701–1709, 1721–1724, 1731–1736) $1,658,000,000, to remain available until expended for (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said Act, and (3) long-term supply contracts pursuant to title IV of said Act.~~

For expenses during fiscal year 1966, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701–1709, 1721–1724, 1731–1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, $1,144,000,000; (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said Act, $298,500,000; and (3) long-term supply contracts pursuant to title IV of said Act, $215,500,000

INTERNATIONAL WHEAT AGREEMENT

For expenses during fiscal year 1966 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641–1642), $27,544,000, to remain available until expended.

~~BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE~~

~~For expenses during fiscal year 1966 and unrecovered prior years' costs related to strategic and other materials acquired as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540, Eighty-fourth Congress (7 U.S.C. 1856), $30,000,000, to remain available until expended.~~

TITLE IV—RELATED AGENCIES

Farm Credit Administration

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $2,990,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

National Commission on Food Marketing

SALARIES AND EXPENSES

For necessary expenses of the National Commission on Food Marketing, established by Public Law 88–354, approved July 3, 1964, ~~$750,000~~ *$1,500,000*.

TITLE V—GENERAL PROVISIONS

SEC. 501. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed four hundred and sixty-four (464) passenger motor vehicles, of which four hundred and forty-eight (448) shall be for replacement only, and for the hire of such vehicles.

SEC. 502. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

SEC. 503. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

SEC. 504. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

SEC. 505. Except to provide materials required in or incident to research or experimental work where no suitable

domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 506. Not less than $1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621–1629; 42 U.S.C. 1891–1893), shall be available for contracting in accordance with said Acts.

This Act may be cited as the "Department of Agriculture and Related Agencies Appropriation Act, 1966".

Passed the House of Representatives May 26, 1965.

Attest: RALPH R. ROBERTS,

Clerk.

Calendar No. 409

89TH CONGRESS
1ST SESSION

H. R. 8370

[Report No. 423]

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

MAY 27, 1965

Read twice and referred to the Committee on Appropriations

JULY 6, 1965

Reported with amendments

S. RES. 124

Resolved, That the Standing Rules of the Senate are amended by adding at the end thereof the following new rule:

"RULE —

"Report on business and professional occupation

"1. Each individual who is a Member of the Senate, or an officer or employee of the Senate, shall file annually with the Secretary of the Senate, in such form as the Secretary shall prescribe, a report with respect to his non-Governmental business, professional or employment activities during the preceding calendar year Each report filed by any individual for any calendar year shall contain the following information:

"(a) The nature of each business enterprise and professional practice in which he was engaged personally for profit during that year, the name under which such enterprise or practice was so conducted, and the address at which such enterprise or practice was so conducted;

"(b) the name and address of each other business or professional organization or enterprise of which he was an officer, director, partner, or employee in any capacity during that year;

"(c) the capacity in which he was so affiliated with or employed by such organization or enterprise;

"(d) the period during that year for which he occupicd such capacity; and

"(e) whether he received any compensation of any kind during that year for or in connection with his occupancy of such capacity.

"2. Each individual who is a Member of the Senate, or an officer or employee of the Senate, at any time during January of any year shall file such report on or before May 1 of that year. Each individual who becomes a Member of the Senate, or an officer or employee of the Senate, after the end of January in any year shall file such report within 90 days after the date on which he becomes a Member of the Senate or an officer or employee of the Senate.

"3. Each report filed under this resolution shall be maintained by the Secretary of the Senate for a period of not less than 3 years, and during that period shall be available for public inspection during business hours of the office of the Secretary of the Senate.

"4. As used in this rule the term 'officer or employee of the Senate' means:

"(1) an elected officer of the Senate who is not a Member of the Senate;

"(2) an employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

"(3) the Legislative Counsel of the Senate and any employee of his office;

"(4) an Official Reporter of Debates of the Senate and any person employed by the Officical Reporter of Debates of the Senate in connection with the performance of their official duties;

"(5) a member of the Capitol Police Force whose compensation is disbursed by the Secretary of the Senate;

"(6) an employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate; and

"(7) an employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate."

S. RES. 125

Resolved, That the Standing Rules of the Senate are amended by adding at the end thereof the following new rule:

"RULE —

"Political campaign funds

"1. No officer or employee of the Senate may—

"(1) solicit, be the custodian of or distribute any funds contributed for use to defray expenses incurred or to be incurred by any other individual for or in connection with any campaign for the nomination or election of any individual to be a Member of the Senate; or

"(2) be vested with or exercise any authority or responsibility for, or participate in any way in any consideration of or determination with respect to, the allocation between or among two or more Members of the Senate of any funds available for use to defray expenses incurred or to be incurred by any individual for or in connection with any such campaign.

"2. As used in this Rule, the term 'officer or employee of the Senate' means—

"(1) an elected officer of the Senate who is not a Member of the Senate;

"(2) an employee of the Senate, any committee or subcommittee of the Senate, or any Member of the Senate;

"(3) the Legislative Counsel of the Senate and any employee of his office;

"(4) an Official Reporter of Debates of the Senate and any person employed by the Official Reporter of Debates of the Senate in connection with the performance of their official duties;

"(5) a member of the Capitol Police Force whose compensation is disbursed by the Secretary of the Senate;

"(6) an employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate; and

"(7) an employee of a joint committee of the Congress whose compensation is disbursed by the Secretary of the Senate."

MEDICAL CARE FOR THE AGED—AMENDMENT

AMENDMENT NO. 307

Mr. BYRD of West Virginia submitted an amendment, intended to be proposed by him, to the bill (H.R. 6675) to provide a hosiptal insurance program for the aged under the Social Security Act with a supplementary health benefits program and an expanded program of medical assistance, to increase benefits under the Old-Age, Survivors, and Disability Insurance System, to improve the Federal-State public assistance programs, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 310

Mr. SCOTT (for himself, Mr. ALLOTT, and Mr. MUNDT) submitted amendments (No. 310), intended to be proposed by them, to House bill 6675, supra, which were ordered to lie on the table and to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL, 1966

AMENDMENTS NOS. 308 AND 309

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes, the following amendment, namely, page 5, after line 8 after the word "per centum" insert the following: ": *Provided further,* That hereafter no funds in excess of $250,000 shall be available for carrying out the screwworm eradication program that do not require minimum matching by State and local sources of at least 50 per centum of the expenses of production, irradiation, and release of screwworm flies".

Mr. HOLLAND also submitted an amendment (No. 308) intended to be proposed by him to House bill 8370, making appropriations for thhe Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. HOLLAND also submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby given notice in writing that it is my intention to move to suspend paragraph 4 of the rule XVI for the purpose of proposing to the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes, the following amendment, namely, page 18, after line 10, after the amount of "$80,000,000" insert the following: ": *Provided,* That, in addition, not more than $20,000,000 of the amount appropriated under this head for the previous fiscal year may be transferred to and merged with this appropriation".

Mr. HOLLAND also submitted an amendment (No. 309) intended to be proposed by him to House bill 8370, making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes, which was ordered to lie on the table and to be printed.

IMPROVING THE QUALITY OF INSTRUCTION IN HIGHER EDUCATION: AN AMENDMENT TO THE HIGHER EDUCATION BILL

AMENDMENT NO. 311

Mr. YARBOROUGH. Mr. President, one thing which the hearings on the higher education bill made very clear is the need for higher quality instruction in our institutions of higher education. Simply educating larger numbers of people is not enough. We must educate larger numbers of our young people and improve the quality of their education at the same time.

The situation in the colleges has been graphically described by Sidney Hook in a recent article in the New York Times magazine:

The irony of the situation is that students in our mass institutions of learning suffer today far more from the failure of faculties to attend to the students' individual educational needs than from alleged suppressions of their freedom of speech. The students' freedom to learn is frustrated by crowding, inferior staffing, and by the indifference of many faculties to the best methods of classroom teaching. Colleges still operate on the absurd assumption that anyone who knows anything can teach it properly. It is an open scandal that the worst teaching in the American system of education takes place at the college level. In some universities, large introductory courses where skillful teaching is of critical importance in arousing student interest are turned over to young, inexperienced graduate assistants at the outset of their careers who stumble along by trial and error and groping imitation of the models of teaching they vaguely remember. ("Academic Freedom and the Rights of Students," by Sidney Hook, New York Times, Jan. 3, 1965.)

Increasing opportunities for education and at the same time improving the quality of education is obviously a very large order. Fortunately many of our outstanding educators have been hard at work on the problem. They have investigated the learning process. They have studied conventional methods of teaching to find where the weak points lie. They have experimented with new methods of instruction. Out of this research have come some of the most significant advances in the theory and practice of education in the entire history of education. These advances are truly a product of the 20th century. They draw upon recent discoveries in the psychology of learning. To these they apply many of the resources available through modern technology—closed circuit television, radio, films, language and listening laboratories, programed instruction, self-instruction laboratories, and video tapes—to create new approaches to education which have advantages not found in more conventional methods and which can meet many of the problems created by the need to improve quality at the same time that we are increasing quantity.

One of the major problems facing higher education today is a shortage of good teachers. Intelligent use of the new media of communication can enhance the effectiveness of a good teacher. For instance, experience has shown that if courses are organized so that one or two meetings per week are held in large groups and one or two in small groups, an experienced professor can conduct the large group courses and reach many more students than if he taught only small courses. Use of the new media can make the large group lecture a very effective method of instruction. This phase of the course serves both to impart information to the student and to provide incentive for further study by the student on his own. Films and demonstrations employing the new media can further this purpose admirably. In the small group sessions, and especially in science courses, self-instruction laboratories, programed instruction, and other forms of the new media can free teachers from much mechanical and unimportant work so that he can spend more time with individual students. In this way the teacher can give closer attention to the varying needs and abilities of his students on a more personal basis. This is of vital importance in education today. The complaint most frequently voiced by college students is that they never get to know their teachers and that they feel like faceless cogs in one of the gears of an impersonal educational factory. These new media of communication are not intended to replace the teacher but rather to enhance his effectiveness and to give him more time to devote to his students.

Many of our more affluent universities are making intensive use of the new media. The U.S. Air Force Academy has a magnificent instruction-centered closed circuit TV center. Many of our richer colleges have language laboratories. The University of Illinois has a computer-controlled teaching system. However, while our top universities are going ahead, many of our less affluent institutions do not have sufficient financial resources to make use of the new media.

A study conducted by the University of North Carolina found the following major deterrents to the use of new media:

First. Limited financial support for purchase or rental of materials.

Second. Suitable materials not available for college use.

Third. Lack of information on college materials.

Fourth. Lack of technical assistance for preparing materials.

Fifth. Lack of time to locate good materials.

Sixth. Lack of adequate facilities for showing materials.

Seventh. Films, equipment, or operators unavailable when needed. New Media in Higher Education, page 140.

THE ECONOMICS OF INSTRUCTIONAL MEDIA IN HIGHER EDUCATION

Media is expensive to purchase. This much is clear. In the few large institutions with fully equipped media resources, expenditures average $12 to $15 per student.

Purdue University has one of the outstanding examples of effective use of new media to be found anywhere in the country. It is a biology course taught by Prof. Samuel Postlethwait, who testified before our subcommittee in the hearings on the higher education bill. His audio tutorial system, involving a variety of equipment, specimens, self-instruction, laboratory experiments, and self-teaching sequences of study, experimentation, and testing, required the purchase of $25,000 of equipment. With this expenditure, however, Dr. Postlethwait was able to reduce overall instructional costs from $15 to $12 per student credit hour, to accommodate 120 more students per year, to teach 50 percent more content, and to achieve significantly higher levels of student achievement. At this point it is important to keep in mind that the primary factor in the success of this course was Dr. Postlethwait's outstanding skills as a teacher, not the media itself. The teacher remains the most important factor. The use of the new media of communication are only adjuncts to enable the teacher to be more effective.

Mr. President, I ask unanimous consent that there be printed at this point in my remarks a paper from which the preceding information has been taken. The paper was compiled by Prof. Charles F. Schuller, of Michigan State University, and is entitled "The Economics of Instructional Media in Higher Education."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. YARBOROUGH. Mr. President, Congress has seen the wisdom of aiding elementary and secondary schools to strengthen instruction by purchasing equipment of the type here discussed. Title III of the National Defense Education Act authorized matching grants for this purpose. This provision has had a salutary effect upon elementary and secondary education. A report on the National Defense Education Act issued in November 1964, by the Subcommittee on Education of the Senate Committee on Labor and Public Welfare, describes the experience under title III in the following terms:

> The second largest single amount—27 percent of total National Defense Education Act expenditures—has gone to strengthen subject areas of critical importance in today's rapidly changing scientific and technological climate. More than $290 million went to States and territories on a 50–50 matching basis to improve instruction in science, mathematics, and modern foreign languages in public elementary and secondary schools. For the same purpose, private elementary and secondary schools received loans for approximately $3.6 million. In 1958, there were 46 language laboratories; today there are almost 7,000. Some 280,000 local public school projects have been approved for acquisition or remodeling of equipment and materials for instruction in these subjects. Before the National Defense Education Act, States employed at the State agency level only 33 specialist supervisors; now they employ 227.

The Elementary and Secondary Education Act places renewed emphasis upon modern techniques of instruction. The Senate committee report acknowledges that, in meeting the needs of culturally deprived children, "new techniques of instruction and educational innovations offer promise of increasing the educational opportunity of elementary and secondary students." The committee noted:

> Hopefully their use will broaden as a result of this legislation.

Thus we are caught in a paradox. We are providing for increased use of new media of communication in teaching at the elementary and secondary level, but we have taken no such action with regard to higher education. The Senate recognized this inconsistency in the 87th Congress, when this body passed S. 2345, a bill to make applicable title III of National Defense Education Act to colleges. Unfortunately, the House Rules Committee refused to grant a rule; this blocked a conference and the measure died. Nevertheless, the Senate legislative record provides clear justification for such a program.

Senate Report No. 652, 87th Congress, 1st session, described the terms of this proposal:

> To provide assistance to colleges and universities comparable with that now available to elementary and secondary schools, i.e., matching grants for publicly controlled institutions and loans for other nonprofit institutions for the purchase of teaching materials, and for minor remodeling of space therefor, equipment in the fields of mathematics, science and modern foreign languages, technical courses and physical fitness.

In its report, the Senate committee recognized the relationship between educational improvement and the availability of instructional techniques that are modern. It sought to apply this experience to higher education.

> Hearings on the National Defense Education Act held in 1958 brought out clearly the needs of the colleges and universities for teaching equipment in selected fields. A more recent survey conducted by professional societies for the National Science Foundation confirms the inadequacies of college and university laboratories. Clearly, recent and rapid advances in our knowledge of science

Calendar No. 409

89TH CONGRESS
1ST SESSION

H. R. 8370

IN THE SENATE OF THE UNITED STATES

JULY 6, 1965

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HOLLAND to H.R. 8370, an Act making appropriations for the Department of Agriculture and related agencies, viz:

Page 5, after line 8, after the word "per centum" insert the following: ": *Provided further,* That hereafter no funds in excess of $250,000 shall be available for carrying out the screwworm eradication program that do not require minimum matching by State and local sources of at least 50 per centum of the expenses of production, irradiation, and release of screwworm flies".

Amdt. No. 308

Amdt. No. 308 Calendar No. 409

89TH CONGRESS
1ST SESSION

H. R. 8370

AMENDMENT

Intended to be proposed by Mr. HOLLAND to H.R. 8370, an Act making appropriations for the Department of Agriculture and related agencies.

JULY 6, 1965

Ordered to lie on the table and to be printed

Calendar No. 409

89TH CONGRESS
1ST SESSION

H. R. 8370

IN THE SENATE OF THE UNITED STATES

JULY 6, 1965

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HOLLAND to H.R. 8370, an Act making appropriations for the Department of Agriculture and related agencies, viz:

Page 18, after line 10, after the amount of "$80,000,000" insert the following: ": *Provided*, That, in addition, not more than $20,000,000 of the amount appropriated under this head for the previous fiscal year may be transferred to and merged with this appropriation".

Amdt. No. 309

Amdt. No. 309 Calendar No. 409

89TH CONGRESS
1ST SESSION

H. R. 8370

AMENDMENT

Intended to be proposed by Mr. HOLLAND to H.R. 8370, an Act making appropriations for the Department of Agriculture and related agencies.

JULY 6, 1965

Ordered to lie on the table and to be printed

H. R. 8370

AMENDMENT

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued July 8, 1965
For actions of July 7, 1965
89th-1st; No. 122

CONTENTS

Agricultural appropriations.....5
Appropriations.....5
Cost-of-living.....29
Economic opportunity.11,20
Electrification.....12
Farm credit.....10
Feed grains.....22
Fishery loans.....17
Food-for-peace.....4
Foreign trade.....13,25
Grapes.....19
Health.....2
Highways.....15
Housing.....7
Inspection services.....27
Lands.....30
Minerals.....29
Natural resources.....23
Personnel.....24,27,28
Poverty.....11,20
Puerto Rico.....16,28
Saline water research...14
Soil conservation.....9
Surplus property.....26
Transportation.....6
Virgin Islands.....28
Waste disposal.....18
Water conservation.....9
Water pollution.....8
Water systems.....21
Watersheds.....3
Weather reserach.....31
Wheat referendum.....1

HIGHLIGHTS: Senate committee reported bill to postpone wheat referendum. Sen. McGovern urged expanded food for peace program.

SENATE

1. WHEAT. The Agriculture and Forestry Committee reported without amendment H. R. 9497, to permit postponement of the wheat referendum until 30 days after the current session of Congress ends (S. Rept. 425). p. 15200

2. HEALTH. Continued debate on H. R. 6675, to provide a hospital insurance program for the aged under the Social Security Act with a supplementary health benefits program and an expanded program of medical assistance, to increase benefits under the Old-Age, Survivors, and Disability Insurance System, etc. pp. 15221-39, 15240-3, 15249-55, 15263-8, 15270-9

3. WATERSHEDS. The Agriculture and Forestry Committee approved plans for improvement on the following watershed projects: Crooked Creek, Ala.; Haney Creek, Ark., Upper Crooked Creek, Ark.; Muddy Fork of Silver Creek, Ind.; Assunpink

Creek, N. J.; St. Thomas-Lodema, N. Dak.; Buffalo Creek, O.; and Cub Creek, Nebr. p. D617

4. FOOD-FOR-PEACE. Sen. McGovern urged an expansion of the food-for-peace program and inserted an article stating that the "administration is seriously considering the possibility of using American agricultural productive capacity to meet world food needs." pp. 15279-80

5. APPROPRIATIONS. Sen. Hart submitted an amendment intended to be proposed to H. R. 8370, the agricultural appropriation bill for fiscal 1966. p. 15210

At the request of Sen. Mansfield, passed over H. R. 7997, the independent offices appropriation bill for fiscal 1966. p. 15196

6. TRANSPORTATION. At the request of Sen. Mansfield, passed over S. 1727, the omnibus transportation bill. p. 15196

7. HOUSING. Sen. Tower submitted amendments intended to be proposed to S. 2213, the housing and urban development bill. p. 15210

8. WATER POLLUTION. Sen. Boggs urged stricter control of water pollution at Federal installations and inserted an article on the subject. pp. 15213-4

9. SOIL AND WATER CONSERVATION. Sen. Mondale inserted his testimony before the Agriculture Subcommittee, Appropriations Committee, in support of additional funds for SCS soil and water conservation activities. pp. 15216-7

10. FARM CREDIT. Sen. Kuchel commended the Farm Credit Administration and the banks for cooperatives in aiding the nation's farmers, particularly in Calif. p. 15240

11. ECONOMIC OPPORTUNITY. Sen. Allott criticized a television broadcast on the work of the Office of Economic Opportunity. pp. 15243-6

12. ELECTRIFICATION. Sen. Miller praised the rural electric cooperatives in Iowa and inserted an article. pp. 15246-7

Sen. Thurmond charged that Secretary of the Interior Udall was attempting to "have the FPC deny the Duke Power Co., a license to construct a $700 million electric power complex" in S. C. and inserted several items on the matter. pp. 15255-63

13. FOREIGN TRADE. Sen. Miller inserted an article expressing concern over possibl adverse effects of recent actions of the European Common Market on foreign trade, particularly in agricultural commodities. pp. 15248-9

HOUSE

14. SALINE WATER RESEARCH. The Interior and Insular Affairs Committee reported with amendments H. R. 7092, to expand, extend, and accelerate the saline water water conversion program (H. Rept. 594). p. 15193

15. HIGHWAYS. The Public Works Committee reported with amendment H. R. 6790, to increase the limitation on emergency relief for the repair or reconstruction of certain highways (H. Rept. 596). p. 15193

ments in terms of the attainment of, or the failure to attain, the objectives developed pursuant to this Act and further shall contain such recommendations for additional legislation as the Secretary may consider necessary or desirable for the attainment of the objectives developed pursuant to this Act. No information which has been classified for reasons of national security shall be included in any report made under this section, unless such information has been declassified by, or pursuant to authorization given by, the President.

Public information

SEC. 111. Information obtained or developed by the Secretary in the performance of his functions under this Act shall be made available for public inspection except (a) information authorized or required by Federal statute to be withheld, and (b) information classified to protect the national security: *Provided,* That nothing in this Act shall authorize the withholding of information by the Secretary from the duly authorized committees of Congress.

Appropriation

SEC. 112. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act. Apropriations authorized under this Act shall remain available until expended unless otherwise provided by appropriations acts.

TITLE II—MARINE EXPLORATION FUND

SEC. 201. (a) There is hereby established on the books of the Treasury a Marine Exploration Fund which shall be available to the Secretary for the acceleration and expansion of programs currently extant or hereafter promulgated for purposes of:

(1) the intensive exploration, survey and delineation of the topography, physical, geological, geomorphological, chemical and biological properties and resources of the Continental Shelf, Great Lakes and superjacent waters; and

(2) the extensive exploration, survey and delineation of the topography, physical, geological, geomorphological, chemical and biological properties and resources of the world oceans.

(b) The fund shall consist of amounts appropriated thereto pursuant to section 203 together with amounts received as repayments of principle and payments of interest on such loans.

(c) The Secretary is authorized to expend appropriated Marine Exploration Funds in support of direct Federal operating, construction and experimental programs, either within the Department or by transfer to other Federal agencies, or pursuant to cooperative or cost sharing arrangements, leases, or contractual considerations with Federal or State agencies, public or private universities, institutions or foundations, business enterprises, corporations or individuals concerned with same, similar or related programs, undertaken in furtherance of the purposes of this Act.

Loans and grants

SEC. 202. (a) The Secretary shall make loans, grants or cost sharing arrangements from the Marine Exploration Fund for purposes of (1) developing, improving and testing the instrumentation, vessels, vehicles, equipment or facilities required to execute the program purposes of the Government, its assigns, cooperators and contractors, designated in section 201(a), 201(b), and 201(c), of this Title, and (2) the conduct, administration and execution of such programs.

(b) The Secretary is authorized to establish terms for loans, grants or other cost sharing arrangements from such fund providing he gives due weight to the benefits inuring to the Government from the activities carried out with the proceeds of such loans, grants or cost sharing arrangements, and providing further—.

(1) That interest rates for loans so established shall not be in excess of 5 per centum per annum;

(2) That the borrower of loans so established shall pay such fees and charges as the Secretary may require;

(3) That the period for repayment of loans so established shall not exceed forty years;

(4) That security for loans so established shall be such that in the judgment of the Secrctary the equity of the United States is prudently protected;

(5) That no single loan so established shall exceed $5,000,000;

(6) That grants so established shall not excced 90 per centum of the cost of the project for which the grant is given; and

(7) That no single grant so established shall exceed $2,000,000.

Financing

SEC. 203. There are hereby authorized to be appropriated $500,000,000 annually for the purposes of this title.

TITLE III—MARINE AND ATMOSPHERIC RESEARCH AND DEVELOPMENT FUND

SEC. 301. (a) There is hereby established on the books of the Treasury a Marine and Atmospheric Research and Development Fund which shall be available to the Secretary for the acceleration of basic research in and the development of programs currently extant or hereafter promulgated for purposes of:

(1) the advance of oceanographic engineering including the development and improvement of the capabilities, performance and efficiency of vessels, vehicles, equipment, instruments and facilities required for exploration and discovery, the recovery of resources, the transmission of energy and communication and the enhancement of basic knowledge pertinent to marine environments, air-sea interaction, climatological influences, and weather modification;

(2) the advancement of knowledge pertinent to the geomorphology and geology of the Continental Shelf and deep ocean floors;

(3) the advancement of knowledge pertinent to biological life of the Continental Shelf and deep ocean environs;

(4) the advancement of knowledge pertinent to the hydrological and physical characteristics and movements of the waters of the Continental Shelf and oceans of the climatological and meteorological phenomena of oceanic and continental areas including the modification of such phenomena for the benefit of man;

(5) the advancement of knowledge pertinent to the chemical qualities and characteristics of the marine environment including the waters and submerged bottoms of the Continental Shelf and oceanic areas; and

(6) the advancement of knowledge pertinent to the transmission of electrical energy for the generation of power and the transmission and reception of communications within marine environs.

(b) The fund shall consist of amounts appropriated thereto pursuant to section 303.

(c) The Secretary is authorized to expend appropriated Marine Research and Development Funds in support of direct Federal operating construction and experimental programs either within the Department or by transfer to other Federal agencies or pursuant to grants, cooperative or cost sharing arrangements or contractual considerations with qualified Federal or State agencies, public or private scientific institutions, universities, foundations, corporations, or individuals concerned with the advance or marine, oceanic, atmospheric or related science, technology and understanding.

Grants

SEC. 302. Basic research and development grants or cost sharing arrangements entered into by the Secretary pursuant to the criteria of section 301 shall be subject to such terms, conditions and restrictions which the Secretary may determine to be in the national interest for the maximum benefit of the Government in seeking to achieve an optimum understanding of the phenomena of marine, oceanic, atmospheric, and related environs.

SEC. 303. There are hereby authorized to be appropriated $100,000,000 annually for the purposes of this title.

TITLE IV—JOINT COMMITTEE OF THE CONGRESS

SEC. 401. That for the purposes of considering, evaluating, and effectuating the policies and intentions outlined in this Act for a coordinated, productive national effort in the conduct of the marine and atmospheric affairs of the United States there is established a Joint Committee of the Congress for Marine and Atmospheric Affairs.

SEC. 402. The membership of the Joint Committee for Marine and Atmospheric Affairs shall be composed of the following members of (a) the Senate:

One member representative of the majority and one member representative of the minority as selected by the membership of the following standing committees each from their respective ranks:

(1) Aeronautical and Space Sciences;
(2) Commerce;
(3) Foreign Relations;
(4) Government Operations;
(5) Interior and Insular Affairs;
(6) Public Works; and

(b) the House of Representatives:

One member reprcsentative of the majority and one member representative of the minority as selected by the membership of the following standing committees each from their respective ranks:

(1) Government Operations;
(2) Interior and Insular Affairs;
(3) Interstate and Foreign Commerce;
(4) Merchant Marine and Fisheries;
(5) Public Works; and
(6) Science and Astronautics.

SEC. 403. (a) The President pro tempore in the Senate, and the Speaker in the House of Representatives shall designate the chairman and vice chairman of such Joint Committee.

(b) Such Joint Committee may—

(1) make studies of appropriate matters relating to marine and atmospheric program and policy affairs or of such matters related thereto as will promote the purposes of this Act, or recommend any such studies to the appropriate standing committees of either House of the Congress; and

(2) make such reports on marine and atmospheric matters as it deems advisable.

(c) For the purposes of this section the Joint Committee may (1) hold hearings; (2) sit and act at such times and places during the sessions, recesses, and adjourned periods as permitted by the rules of both Houses; (3) require by subpoena or otherwise the attendance of witnesses and the production of correspondence, books, papers and documents; (4) administer oaths; (5) take testimony either orally or by deposition; (6) employ such technical, clerical, and other assistants and consultants and, with the prior consent of the cxecutive agency concerned and the Committee on Rules and Administration of the Senate and the Committee on House Administration of the House, employ on a reimbursable basis such executive branch personnel as it deems advisable.

(d) A quorum in the Joint Committee shall consist of nine members, except that the committee may provide that for the purposes of taking testimony, two members one from the majority party and one from the minority party, shall constitute a quorum.

(e) The expenses of the Joint Committee shall be paid from the contingent fund of each House, on a prorate basis, upon vouchers approved by the chairman.

(f) There is hereby authorized to be appropriated for each fiscal year, such sums as may be necessary, to carry out the provisions

of this section, to be disbursed by the Secretary of the Senate on vouchers signed by the chairman or vice chairman.

MEDICAL CARE FOR THE AGED—AMENDMENTS

AMENDMENT NOS. 312, 313, 314, AND 315

Mr. PROUTY submitted four amendments, intended to be proposed by him to the bill (H.R. 6675) to provide a hospital insurance program for the aged under the Social Security Act with a supplementary health benefits program and an expanded program of medical assistance, to increase benefits under the old-age, survivors, and disability insurance system, to improve the Federal-State public assistance programs, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 317

Mr. INOUYE (for himself, Mr. PELL, and Mr. FONG), submitted an amendment intended to be proposed by them jointly, to House bill 6675, supra, which was ordered to lie on the table and to be printed.

AMENDMENTS NOS. 326 AND 327

Mr. COOPER submitted two amendments, intended to be proposed by him to House bill 6675, supra, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 328

Mr. GRUENING (for himself and Mr. BARTLETT) submitted an amendment, intended to be proposed by them jointly to House bill 6675, supra, which was ordered to lie on the table and to be printed.

AMENDMENTS NOS. 329 AND 330

Mr. CURTIS submitted two amendments, intended to be proposed by him to House bill 6675, supra, which were ordered to lie on the table and to be printed.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL — AMENDMENT

AMENDMENT NO. 318

Mr. HART submitted an amendment (No. 318), intended to be purposed by him, to the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, for the purposes, which was ordered to lie on the table and to be printed.

HOUSING AND URBAN DEVELOPMENT ACT OF 1965—AMENDMENTS

AMENDMENTS NOS. 316 AND 319 THROUGH 325

Mr. TOWER (for himself and Mr. BENNETT) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 2213) to assist in the provision of housing for low- and moderate-income families, to promote orderly urban development, to improve living environment in urban areas, and to extend and amend laws relating to housing, urban renewal, urban mass transportation, and community facilities, which were ordered to lie on the table and to be printed.

ADDITIONAL COSPONSORS OF BILLS

Mr. SCOTT. Mr. President, I ask unanimous consent that several additional cosponsors be added to the bill, S. 949, the proposed State Technical Services Act of 1965, so that the list of sponsors reads as follows: Mr. MAGNUSON (for himself, Mr. SCOTT, Mr. BYRD of West Virginia, Mr. RIBICOFF, Mr. MCGOVERN, Mr. PASTORE, Mr. MONRONEY, Mr. LAUSCHE, Mr. BARTLETT, Mr. HARTKE, Mr. MCGEE, Mr. HART, Mr. CANNON, Mr. BREWSTER, Mrs. NEUBERGER, Mr. BASS, Mr. COTTON, Mr. PROUTY, Mr. PEARSON, and Mr. DOMINICK.)

Through an error of the Public Printer, the bill was printed without the names of these added cosponsors.

I also ask unanimous consent that the bill be reprinted showing the full list of cosponsors.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. MCGOVERN. Mr. President, on behalf of the senior Senator from Connecticut [Mr. DODD], I ask unanimous consent that at the next printing of S. 2152, Narcotic Addict Rehabilitation Act of 1965, the names of the distinguished junior Senator from Michigan [Mr. HART] and the distinguished senior Senator from Alaska [Mr. BARTLETT] be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF RECEIPT OF NOMINATION BY COMMITTEE IN FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nomination of Mr. Livingston T. Merchant, of the District of Columbia, to be U.S. Executive Director of the International Bank for Reconstruction and Development for a term of 2 years.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

NOTICE CONCERNING NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Harry C. George, of Illinois, to be U.S. marshal, eastern district of Illinois, term of 4 years (reappointment).

James H. Dillon, of Wisconsin, to be U.S. marshal, eastern district of Wisconsin, term of 4 years (reappointment).

Adam J. Walsh, of Maine, to be U.S. marshal, district of Maine, term of 4 years (reappointment).

Claude Vernon Sprately, Jr., of Virginia, to be U.S. attorney, eastern district of Virginia, term of 4 years (reappointment).

Hugh Salter, of North Carolina, to be U.S. marshal, eastern district of North Carolina, term of 4 years (reappointment).

Charles N. Bordwine, of Virginia, to be U.S. marshal, western district of Virginia, term of 4 years (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Wednesday, July 14, 1965, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

RESCHEDULING OF HEARING ON NOMINATION OF JAMES P. COLEMAN, OF MISSISSIPPI, TO BE U.S. CIRCUIT JUDGE, FIFTH CIRCUIT

Mr. EASTLAND. Mr. President, on behalf of the Committee of the Judiciary, I desire to give notice that the public hearing on the nomination of James P. Coleman, of Mississippi, to be U.S. circuit judge, fifth circuit, has been rescheduled for Monday, July 12, 1965, at 10:30 a.m., in room 2228 New Senate Office Building.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from North Carolina [Mr. ERVIN], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

FORMER PRESIDENT OF COLOMBIA, DR. ALBERTO LLERAS CAMARGO, TO TESTIFY FRIDAY AT POPULATION HEARINGS ON S. 1676

Mr. GRUENING. Mr. President, I wish to announce that the hearings on S. 1676, my bill to coordinate and disseminate birth control information upon request, originally scheduled for Thursday, July 8, at 10 a.m., in room 3302 of the New Senate Office Building have been postponed until Friday, July 9, at 2 p.m., to permit the Senate Government Operations Subcommittee on Foreign Aid Expenditures to hear the testimony of Dr. Alberto Lleras Camargo.

Dr. Camargo, a distinguished Latin American statesman, is the former President of Colombia. He also has served as the Secretary General of the Organization of American States.

Dr. Camargo has evidenced his concern as to the effect of the population explosion on the economy of the Americas. Long familiar with the problems of Latin America, Dr. Camargo now serves as chief of the editorial board of the magazine Vision.

He comes to Washington, D.C., on a number of errands and has graciously accepted the subcommittee's invitation to appear Friday afternoon.

The subcommittee will also hear testimony from the well-known journalist, Mr. Ben H. Bagdikian. Mr. Bagdikian is author of the book "In the Midst of Plenty: The Poor in America." His reporting of the poverty story in the United States stimulated the dialog in social welfare. Among his concerns is the problem of burgeoning population.

Mr. Bagdikian is a contributing writer for the Saturday Evening Post. He worked for many years as correspondent and columnist for the Providence, R.I.,

Calendar No. 409

89TH CONGRESS
1ST SESSION

H. R. 8370

IN THE SENATE OF THE UNITED STATES

JULY 7, 1965

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HART to H.R. 8370, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes, viz:

On page 17, line 23, strike out "$155,000,000" and insert in lieu thereof "$157,000,000, including $2,000,000 for special assistance to needy schools, as authorized by law:".

Amdt. No. 318

Amdt. No. 318 Calendar No. 409

89TH CONGRESS
1ST SESSION

H. R. 8370

AMENDMENT

Intended to be proposed by Mr. HART to H.R. 8370, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

JULY 7, 1965

Ordered to lie on the table and to be printed

H. R. 8370

AMENDMENT

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

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CONTENTS

Agriculture.....9	Foreign aid.....18,24	Recreation.....20
Agricultural appropriations.....1	Foreign trade.....5	Research.....8,34
Appropriations.....1,2,3	Holiday.....35	Retirement.....2,17
Budget deficit.....7	Housing.....4,10,22	School lunch.....1
Cigarette labeling.....11	Imports.....30	Silk.....5
Disaster relief.....16	Lands.....34	Soil conservation.....34
Economics.....36	Legislative program.....10	Sugarbeets.....32
Electrification.....28	Lobbying.....27	Transportation.....15
Farm labor.....19,26	Marketing.....6	Tree farming.....23
Farm program.....13,25,31	Military construction.....14	Truth-in-packaging.....6
Fats and oils.....30	Minerals.....33	Water resources.....10,12
Feed grains.....32	Opinion poll.....21	Watersheds.....1
	Personnel.....2,17,29	Wheat.....25,32

HIGHLIGHTS: Senate passed agricultural appropriation bill and independent offices appropriation bill. Senate took up housing and urban development bill. House agreed to conference report on cigarette labeling bill. House agreed to conference report on water resources bill. Rep. Cooley introduced farm bill.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1966. By a vote of 86 to 2, passed with amendments this bill, H. R. 8370 (pp. 16034, 16035-55). Conferees were appointed (p. 16055). House conferees have not yet been appointed. Agreed to the committee amendments en bloc (pp. 16039-40). Agreed to an amendment by Sen. Hart to provide $157 million for the school lunch program, rather than $155 million as reported by committee, with the additional $2 million to be used for special assistance to needy schools (pp. 16040-3). Agreed to an amendment by Sen. Bass to provide an additional $75,000 for watershed protection which he stated was "for the purpose of allowing a comprehensive river basin study of all streams draining through Shelby County, Tenn." (pp. 16043-4).

2. INDEPENDENT OFFICES APPROPRIATION BILL, 1966. By a vote of 84 to 2, passed with amendments this bill, H. R. 7997 (pp. 16008-27). Conferees were appointed (p. 16027). House conferees have not yet been appointed. A point of order was sustained against a proposed amendment by Sen. Dirksen to provide $6,386,800,000 for financing the U. S. liability on payments to the Civil Service retirement fund (pp. 16016-26). This bill includes funds for civil defense and defense mobilization functions of Federal agencies; disaster relief fund of the President; Civil Service Commission; Federal Power Commission; Federal Trade Commission; General Accounting Office; General Services Administration; Housing and Home Finance Agency; Interstate Commerce Commission, and National Science Foundation.

3. D. C. APPROPRIATION BILL, 1966. Agreed to the conference report on this bill, H. R. 6453. This bill will now be sent to the President. pp. 16079-16111

4. HOUSING. S. 2213, the housing and urban development bill was made the unfinished business (p. 16056.) Sen. Douglas reviewed the purpose and certain provisions of the bill (pp. 16057-67). Sens. Tower, Javits, and Miller submitted amendments intended to be proposed to this bill (pp. 16033, 16120).

5. SILK; FOREIGN TRADE. The Finance Committee reported with amendments H. R. 5768, to extend for an additional temporary period the existing suspension of duties on certain classifications of yarn of silk (S. Rept. 433). p. 16120

6. MARKETING. Sen. Hart spoke in support of S. 985, the proposed truth-in-packaging bill, and inserted a letter by Mrs. Esther Peterson in support of the bill. pp. 16056-7

7. BUDGET DEFICIT. Sen. Smathers commended the announcement that the U. S. budget deficit for fiscal 1965 was lower than originally predicted and inserted an article on the matter. pp. 16074-5

8. RESEARCH. Sen. Proxmire expressed concern over possible Federal domination of research at colleges and universities as a result of increasing financial support of science by the Government, and inserted an article, "The Support of Science in the United States." pp. 16075-7

9. AGRICULTURE. Sen. Morse inserted a letter reviewing economic development in Ore., including agriculture and forestry. pp. 16111-3

10. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the housing and urban development will be considered today, July 14, and, possibly, the conference report on the water resources development bill. p. 16056

HOUSE

11. CIGARETTE LABELING. Agreed to the conference report on S. 559, the cigarette labeling bill (pp. 15959-66, 15998-9). This bill will now be sent to the President.

12. WATER RESOURCES. Agreed to the conference report on S. 21, the proposed Water Resources Planning Act (pp. 15966, 16001-2). See digest 123 for provisions of this bill.

accept and use donations of funds, property, personal services, or facilities, (3) to acquire selected areas of lands or interests in lands by donation, acquisition with donated funds, devise, or exchange for acquired lands or public lands under his jurisdiction which he finds suitable for disposition, (4) to administer such lands or interests for experimental purposes, including the observation and manipulation of natural areas, and (5) to issue such regulations as he deems necessary with respect to the administration of such lands.

SEC. 4. Activities authorized by this Act may be carried out on lands under the jurisdiction or control of other departments or agencies of the Government only with the approval of the head of the department or agency concerned.

SEC. 5. The Secretary shall consult with and provide technical assistance to departments and agencies of the Government, and he is authorized to obtain from such departments and agencies such information, data, reports, advice, and assistance as he deems necessary or appropriate and which can reasonably be furnished by such departments and agencies in carrying out the purposes of this Act. Any Federal agency furnishing advice or assistance hereunder may expend its own funds for such purposes, with or without reimbursement by the Secretary.

SEC. 6. Nothing in this Act is intended to give, or shall be construed as giving, the Secretary any authority over any of the authorized programs of any other department or agency of the Government, or as repealing, modifying, restricting, or amending existing authorities or responsibilities that any department or agency may have with respect to the natural environment. The Secretary shall consult with the heads of such departments and agencies for the purpose of identifying and eliminating duplication of effort.

SEC. 7. (a) The Secretary is authorized to establish such advisory committees as he deems desirable for the purpose of rendering advice and submitting recommendations to him relating to the carrying out of the purposes of this Act. Such advisory committees shall render advice and submit recommendations to the Secretary upon his request and may submit recommendations to the Secretary at any time on their own initiative. The Secretary may designate employees of the Department of the Interior to serve as secretaries to the committees.

(b) Members of advisory committees appointed by the Secretary may receive not to exceed $100 per day when engaged in the actual performance of their duties, in addition to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

SEC. 8. The Secretary is authorized, pursuant to such terms and conditions as he deems desirable, to make grants to public and nonprofit private universities and colleges, as well as to museums and botanical and zoological gardens and other scientific or conservation organizations in the several States and possessions of the United States, for the purpose of training persons, including scientists, technicians, and teachers, needed in the field of ecology and related fields.

SEC. 9. The Secretary is authorized to participate in environmental research in surrounding oceans and in other countries in cooperation with appropriate departments or agencies of such countries or with coordinating international organizations if he determines that such activities will contribute to the objectives and purposes of this Act.

SEC. 10. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

HOUSING AND URBAN DEVELOPMENT ACT OF 1965—AMENDMENT

AMENDMENT NO. 346

Mr. TOWER submitted an amendment, intended to be proposed by him, to the bill (S. 2213) to assist in the provision of housing for low- and moderate-income families, to promote orderly urban development, to improve living environment in urban areas, and to extend and amend laws relating to housing, urban renewal, urban mass transportation, and community facilities, which was ordered to lie on the table and to be printed.

AMENDMENTS NOS. 347 AND 348

Mr. JAVITS submitted two amendments, intended to be proposed by him, to Senate bill 2213, supra, which were ordered to lie on the table and to be printed.

ADDITIONAL COSPONSORS OF BILLS

Mr. MCCARTHY. Mr. President, I ask unanimous consent that the name of the Senator from Arkansas [Mr. FULBRIGHT] be added to the list of cosponsors of Senate Joint Resolution 85, the measure I introduced proposing a constitutional amendment relating to equal rights of men and women, and that his name be listed among the sponsors at the next printing of the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MCCARTHY. Mr. President, I also ask unanimous consent that the name of the Senator from Tennessee [Mr. STENNIS] be added to the list of cosponsors of S. 2143, the Great River Road bill, and that his name be listed among the sponsors at the next printing of the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, at the time I introduced S. 2228, a bill to correct inequities in the basic compensation of overseas teachers, I had hoped to ask unanimous consent that it might lie at the desk. However, I was unable to make the request and subsequently invited other Senators to express their interest with the intent of seeking unanimous consent.

I therefore now ask unanimous consent that the following Senators may be added to the bill as cosponsors: Mr. MAGNUSON, Mr. BOGGS, Mr. MCGEE, Mr. MCCARTHY, Mr. MOSS, Mr. NELSON, Mr. RIBICOFF, Mr. INOUYE, Mr. RANDOLPH, Mr. MONDALE, Mr. CLARK, Mr. MORSE, Mr. TOWER, and Mr. JAVITS.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors to S. 1861, which, as the distinguished Presiding Officer knows, is a comprehensive measure designed to provide additional assistance for areas suffering from major disasters: Mr. BOGGS, Mr. COOPER, Mr. FONG, Mr. MURPHY, Mr. MUSKIE, Mr. PEARSON, and Mr. ALLOTT.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE CONCERNING NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Gerald D. O'Brien, of Maryland, to be an Assistant Commissioner of Patents, vice Horace B. Fay, Jr.

Richard A. Wahl, of Virginia, to be an Assistant Commissioner of Patents, vice Ezra Glaser.

Donald H. Fraser, of Georgia, to be U.S. attorney, southern district of Georgia, term of 4 years. (Reappointment.)

Thomas B. Mason, of Virginia, to be U.S. attorney, western district of Virginia, term of 4 years. (Reappointment.)

Edmund A. Nix, of Wisconsin, to be U.S. attorney, western district of Wisconsin, term of 4 years, vice Nathan S. Heffernan, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Tuesday, July 20, 1965, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed the bill (S. 26) to authorize the Secretary of the Interior to acquire lands for, and to develop, operate, and maintain, the Golden Spike National Historic Site, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 17) to express the sense of Congress against the persecution of persons by Soviet Russia because of their religion, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 546. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within Camp McCoy Military Reservation, Wis.;

H.R. 722. An act to amend certain provisions of existing law concerning the relationship of the Coast and Geodetic Survey to the Army and Navy so they will apply with similar effect to the Air Force;

H.R. 725. An act to clarify the responsibility for marking of obstructions in navigable waters;

H.R. 728. An act to amend section 510 of the Merchant Marine Act, 1936;

H.R. 729. An act to amend section 510(a)(1) of the Merchant Marine Act, 1936;

H.R. 3037. An act to amend section 1485 of title 10, United States Code, relating to the transportation of remains of deceased dependents of members of the Armed Forces, and for other purposes;

H.R. 3957. An act to authorize establishment of the Fort Union Trading Post Na-

tional Historic Site, N. Dak. and Mont., and for other purposes;

H.R. 5034. An act to amend section 2575 (a) of title 10, United States Code, to authorize the disposition of lost, abandoned, or unclaimed personal property under certain conditions;

H.R. 5041. An act to provide for safety regulation of common carriers by pipeline under the jurisdiction of the Interstate Commerce Commission, and for other purposes;

H.R. 7779. An act to provide for the retirement of enlisted members of the Coast Guard Reserve;

H.R. 8030. An act to provide for the discontinuance of the Postal Savings System, and for other purposes;

H.R. 8095. An act to authorize travel and transportation allowances under certain circumstances for members of the uniformed services when ordered to make changes of permanent station while away from their permanent stations under orders, and for other purposes;

H.R. 8111. An act to establish the Herbert Hoover National Historical Site in the State of Iowa;

H.R. 8211. An act to amend title 37 of the United States Code to provide that a family separation allowance shall be paid to any member of a uniformed service assigned to Government quarters providing he is otherwise entitled to such separation allowance;

H.R. 8720. An act to amend the Organic Act of Guam to provide for the payment of legislative salaries and expenses by the government of Guam;

H.R. 8721. An act to amend the Revised Organic Act of the Virgin Islands to provide for the payment of legislative salaries and expenses by the government of the Virgin Islands;

H.R. 8761. An act to provide an increase in the retired pay of certain members of the former Lighthouse Service;

H.J. Res. 454. Joint resolution to provide for the development of Ellis Island as a part of the Statue of Liberty National Monument, and for other purposes; and

H.J. Res. 481. Joint resolution to amend the joint resolution of March 25, 1953, to expand the types of equipment furnished Members of the House of Representatives.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

S. 956. An act to amend the act entitled "An act to provide better facilities for the enforcement of the customs and immigration laws," to extend construction authority for facilities at Guam and the Virgin Islands of the United States (76 Stat. 87; 19 U.S.C. 68);

S. 998. An act to amend section 4 of the Fish and Wildlife Act of 1956 to authorize the Secretary of the Interior to make loans for the financing and refinancing of new and used fishing vessels, and to extend the term during which the Secretary can make fisheries loans under the act;

S. 1462. An act to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian funds; and

S. 2154. An act to amend the act establishing the United States-Puerto Rico Commission on the Status of Puerto Rico.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated:

H.R. 546. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within Camp McCoy Military Reservation, Wis.;

H.R. 3037. An act to amend section 1485 of title 10, United States Code, relating to the transportation of remains of deceased dependents of members of the Armed Forces, and for other purposes;

H.R. 5034. An act to amend section 2575(a) of title 10, United States Code, to authorize the disposition of lost, abandoned, or unclaimed personal property under certain conditions;

H.R. 8095. An act to authorize travel and transportation allowances under certain circumstances for members of the uniformed services when ordered to make changes of permanent station while away from their permanent stations under orders, and for other purposes; and

H.R. 8211. An act to amend title 37 of the United States Code to provide that a family separation allowance shall be paid to any member of a uniformed service assigned to Government quarters providing he is otherwise entitled to such separation allowance; to the Committee on the Armed Services.

H.R. 722. An act to amend certain provisions of existing law concerning the relationship of the Coast and Geodetic Survey to the Army and Navy so they will apply with similar effect to the Air Force;

H.R. 725. An act to clarify the responsibility for marking of obstructions in navigable waters;

H.R. 728. An act to amend section 510 of the Merchant Marine Act, 1936;

H.R. 729. An act to amend section 510(a)(1) of the Merchant Marine Act, 1936;

H.R. 7779. An act to provide for the retirement of enlisted members of the Coast Guard Reserve; and

H.R. 8761. An act to provide an increase in the retired pay of certain members of the former Lighthouse Service; to the Committee on Commerce.

H.R. 3957. An act to authorize establishment of the Fort Union Trading Post National Historic Site, N. Dak. and Mont., and for other purposes;

H.R. 8111. An act to establish the Herbert Hoover National Historical Site in the State of Iowa;

H.R. 8720. An act to amend the Organic Act of Guam to provide for the payment of legislative salaries and expenses by the government of Guam;

H.R. 8721. An act to amend the Revised Organic Act of the Virgin Islands to provide for the payment of legislative salaries and expenses by the government of the Virgin Islands; and

H.J. Res. 454. Joint resolution to provide for the development of Ellis Island as a part of the Statue of Liberty National Monument, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 8030. An act to provide for the discontinuance of the Postal Savings System, and for other purposes; to the Committee on Post Office and Civil Service.

H.J. Res. 481. Joint resolution to amend the joint resolution of March 25, 1953, to expand the types of equipment furnished Members of the House of Representatives; to the Committee on Rules and Administration.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. CASE:

Article dealing with the abuse of diplomatic immunity by representatives of foreign governments in connection with violation of traffic laws, published in the New York Daily News on June 23.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1966

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 409, House bill 8370.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. HOLLAND obtained the floor.

Mr. HOLLAND. Mr. President, I wish to yield briefly to the Senator from Iowa [Mr. MILLER], and then I shall be willing to yield to any other Senator who wishes to speak briefly; but we do have an extremely complicated bill ahead of us, and I should like to get started.

Mr. MILLER. Mr. President, I ask for the yeas and nays on passage of the bill.

The yeas and nays were ordered.

NATIONAL PUERTO RICAN DAY

Mr. JAVITS. Mr. President, I send to the desk, and ask unanimous consent that it may be appropriately referred, a joint resolution on behalf of my colleague [Mr. KENNEDY] and myself, designating July 25 of each year as Puerto Rican Day.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 97) designating July 25 of each year as "Puerto Rican Day in the United States of America," introduced by Mr. JAVITS (for himself and Mr. KENNEDY of New York), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. JAVITS. Mr. President, the purpose of this joint resolution is to focus the attention of the Congress and the people of the United States on the strong bonds which exist between us and the people of Puerto Rico.

The Commonwealth of Puerto Rico is an island outpost of democracy in the Caribbean. It serves as a link between the mainland of the United States and our neighbors to the south. Sharing a common language and cultural background with large areas of Latin America, Puerto Rico is a channel through which we can work for increased intrahemispheric understanding.

The island has often been called the "showcase of democracy." Its economic development is a testament to the strength and vitality of the private enterprise system when welcomed and en-

couraged by Government and an example—particularly in contrast to Cuba—of what a free economy can achieve for its citizens. In cooperation with the United States, and under the leadership of a dynamic group of islanders. Operation Bootstrap produced an almost unprecendented economic boom. Industry is thriving, community developments have been undertaken; public and private housing and social welfare programs have been expanded and improved within the last few decades. In addition, the Puerto Rican Government has wisely instituted what is known as Operation Serenity to preserve and emphasize the cultural heritage of the islanders, and to provide Government support for cultural and educational endeavors.

As one who has had the honor of serving as a member of the Commission to study the status of Puerto Rico, I have had a vital interest in the island's history and development. It has been gratifying to note not only the spectacular advances of the island, but also the shining achievements of the three-quarters of a million Puerto Ricans who have come to the mainland to live. In New York City for example, over 700,000 Puerto Ricans live, work and contribute to the life of the city. They earn almost a billion dollars a year and have contributed greatly to the growth of our economy. It is hoped that they will assume their full role in the political life of the city, and to this end my colleague Senator KENNEDY and I have offered an amendment to the voting rights bill which would facilitate their compliance with the State's literacy requirements for voting. Some Puerto Ricans, of course, have already achieved world fame. Justino Dias, at the Metropolitan Opera, Pablo Casals—who now lives in Puerto Rico—the world famous cellist, and Adm. Horacio Rivero, the Vice Chief of Naval Operations, are only a few examples.

July 25 is the date on which the Commonwealth of Puerto Rico came into existence in 1952. This is a unique arrangement, a true partnership with the United States, and while it may be only a transitory or temporary status, much has been achieved under this arrangement. I hope my colleagues will see fit to commemorate this day and to honor the American citizens who are Puerto Ricans by enacting this joint resolution.

Mr. President, I ask unanimous consent that the text of the joint resolution may be printed along with my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the joint resolution is as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 25 of each year is hereby designated as "Puerto Rican Day in the United States of America," and the President of the United States is authorized and requested to issue annually a proclamation calling upon the people of the United States to observe this day with appropriate ceremonies.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1966

The Senate resumed the consideration of the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

Mr. HOLLAND. Mr. President, the Senate now has under consideration H.R. 8370, the Department of Agriculture and related agencies appropriation bill for 1966. The amount of the bill, as recommended by the committee, is $6,711,908,800, an increase of $994,076,300 over the House bill. The bill is $929,274,800 over the budget estimates and $115,139,400 under the appropriations for fiscal 1965.

The principal increase over the budget estimates is due to one item—the reimbursement to the Commodity Credit Corporation for net realized losses. The committee has recommended an appropriation of $3,226,800,000 to reimburse the Commodity Credit Corporation for the full amount of net realized losses incurred in fiscal 1964, in the conduct of mandatory price support, export, supply, crop diversion, and other authorized farm programs. The budget request was in the amount of $2,300 million, which was $926,800,000 below the actual realized losses for fiscal 1964. The House-passed bill included the amount of the budget estimate only.

The committee has been concerned for some time about the timelag which has developed in requesting and in providing the necessary appropriations to reimburse the Commodity Credit Corporation for net realized losses. The executive branch and the Congress to some degree are both at fault in allowing these reimbursement appropriations to fall so far behind.

In addition to the $3,226,800,000 recommended by the committee in this bill, there still remain unreimbursed realized losses going back to fiscal 1961 in the amount of $1,057 million resulting from the revaluation of inventory that year, and a balance of $80.9 million for the 1963 realized loss. The committee believes that the necessary reimbursement appropriations which are required by law should be promptly requested by the executive branch in the next fiscal year following the actual determination of such losses as reflected on the accounts and records of the financial condition of the corporation at the close of each fiscal year.

The action of the committee in providing the full appropriation for losses incurred in 1964 does not in any way affect the rate of expenditures by the Commodity Credit Corporation during 1966 in carrying out the various mandatory farm programs which are financed out of the borrowing authorization of the Commodity Credit Corporation, nor does it require any cash expenditure of Federal funds.

I wish to emphasize the fact that this does not involve any greater spending. It does involve the setting straight of accounts which by law are supposed to be set straight after these losses for the CCC have been determined for any particular fiscal year. We are dealing now with losses sustained in fiscal year 1964.

Public Law 87–155, approved August 17, 1961, authorizes reimbursement appropriations to restore the capital impairment of the Commodity Credit Corporation in such amounts as are reflected in the Corporation's accounts and in the report of its financial condition at the close of each fiscal year. The recommended committee action will thus clean up the full amount of realized loss for fiscal 1964, as I have indicated, and the committee expects that its action in this regard will encourage the Bureau of the Budget to request in the next supplemental bill, or at least in the next regular agricultural appropriation bill, the full estimates for the balances for fiscal 1961 and 1963 to which I have previously referred in the total amount of $1,137,900,000.

Under existing law, the Commodity Credit Corporation is required to continue paying interest costs for unreimbursed losses. There was a provision in the House passed bill to eliminate this requirement after June 30, 1964. The committee is sympathetic with the objectives of that provision, but has stricken it from the bill in order to emphasize its strong attitude that corrective action should be promptly taken in the executive branch to submit budget estimates necessary to place the Commodity Credit Corporation on a current basis.

Speaking only for myself and I believe for the committee as well, once that action has been taken, the committee will gladly agree that no further interest cost be added to the CCC account. By then the accounts will be so nearly current as not to be subject to criticism of any kind.

IMPORTANCE OF AGRICULTURAL PROGRAMS

Mr. President, this is one of the most important appropriation bills to come before the Senate each year. The activities for which appropriations are carried in this bill affect all of the American people. The wide and varied activities administered by the Department of Agriculture encompass not only programs dealing with production, marketing, and consumer services, but these appropriations also provide substantial assistance to foreign countries through the concessional sales under Public Law 480 and for the donations of food also authorized under that act.

RESEARCH AND EDUCATIONAL ACTIVITIES

The productive efficiency of the American farmer derives in large part from the long period of sustained research and development programs conducted by the research agencies of the Department in cooperation with institutions at our land-grant colleges and universities. I will

summarize some of the activities for which appropriations are made in this bill.

For the research and regulatory activities of the Agricultural Research Service, the committee recommends a total appropriation of $203,429,800, a net increase of $7,661,600 over the appropriations for 1965, and an increase of $9,377,800 over the budget estimate and $15,916,800 over the House bill.

For the agricultural research programs including overseas research, the committee has provided a total available by regular appropriation and by transfer from section 32 totaling $144,969,800. The committee provided an increase over the House and the budget of $8 million for direct appropriations for research rather than to use practically the full amount of section 32 funds authorized 2 years ago. In agreeing to the use of section 32 funds for research purposes 2 years ago, this committee did not expect that the full authorization would be reached in the short span of 2 years. Aside from these changes, the Senate committee bill is $522,200 under the budget estimates for research purposes.

ELIMINATION OF RESEARCH STATIONS

The committee conducted extensive hearings earlier in the year in regard to the unprecedented announcement by the Secretary of Agriculture on December 31, 1964, to close several small research stations and lines of research in the amount of $5,151,000 annually. The budget estimate reflected a decrease of of this amount. Based upon the recommendations of the committee and following conferences held with the Secretary of Agriculture, agreement was reached on continuation of certain of these research activities amounting to $2,165,200 in fiscal 1966.

The committee has recommended a restoration of $2,165,200 in the bill for the items of research referred to and this is $485,800 under the amount provided in the House bill of $2,651,000.

The principal items of difference are in regard to the continuation of research on clothing and housing and on wholesaling and retailing. These differences will be adjusted in the conference committee since the agreement by this committee with the Secretary of Agriculture did not attempt to speak for the other body, though it is evident that there is very general agreement on the overall action taken.

The committee reiterates its view that proposed adjustments to decrease research or to eliminate stations should be a part of the regular budget presentation and be justified in the same manner as proposals to establish new stations or increase lines of research.

The hearing record, pages 884–901 inclusive, covers this matter completely—including my statement in the Senate on April 27 following the agreement which the Senator from North Dakota [Mr. YOUNG], and myself had reached in our discussions with Secretary Freeman.

For the cooperative plant and animal disease and pest control activities, including surveillance at ports-of-entry, an appropriation of $75,060,000 is recommended. This is an increase over 1965 of $3,890,800. The plant quarantine inspection of baggage and other shipments from abroad to reduce the possibility of further introduction of new insect and animal pests from abroad must be strengthened and the committee has taken modest steps in this direction by increasing the appropriation for plant and animal inspection at ports of entry to $11,271,400. This provides $421,000 over the estimate and $621,000 over the House bill.

Similarly, the committee has provided increased funds for combating the cereal leaf beetle in the amount of $1,250,000, on a cost-matching basis, and has provided $3,270,000 for the continuation of the cooperative cost-sharing eradication program on the imported fire ant.

The committee has followed the long-standing policy of insisting upon cost sharing on pest control programs whether the insect or pest is of continental origin or is imported from abroad. The committee has provided for continuation of the cost-sharing provision in connection with the maintenance of the screwworm barrier zone in the Southwest plus an increase of $1 million to extend the barrier zone to the west coast. This extended program is also to be on a cost-sharing basis.

For the payments and expenses of the Cooperative State Research Service, the agency to which appropriation is made for the distribution of payments for research to the States under the Hatch Act, as amended, and for other research purposes, the committee recommends a total appropriation of $55,695,000. This is an increase of $5,698,000 over 1955, and $4 million over the House bill.

The increases provided by the committee actions include an increase of $1 million for pay adjustments for cooperative State research workers; an increase of $1 million making $3 million available for cooperative forestry grants, and a $2 million increase is recommended for research for basic grants for scientific research, with $1 million of the increased funds for accelerating the special research program to reduce the cost of producing cotton.

The bill, as reported, carries a total appropriation of $89,135,000 for the Extension Service activities. This is an increase of $3,681,000 over 1965 and $2,800,000 over the House passed bill. The committee has provided an increase of $2,800,000 to be distributed to the States under the Smith-Lever Act formula for the purpose of making pay adjustments for State and county extension workers. This is consonant with the action taken 2 years ago following the enactment of Federal pay legislation.

CONSUMER AND MARKETING SERVICES

The Consumer and Marketing Service, formerly known as the Agricultural Marketing Service, conducts several important marketing and consumer benefit programs. The committee recommends a total appropriation of $421,412,000 for the various program activities. This is an increase of $123,260,000 over comparable amounts appropriated for 1965 and is $13,525,000 under the budget estimates and $10,940,000 over the House bill. I will describe the changes involved for the various programs administered by the agency.

In conjunction with the marketing service and regulatory programs under which mandatory meat and poultry inspection and a number of regulatory and market service activities are financed, an appropriation of $76,412,000 is recommended. The amount recommended for these activities is $560,000 over the House bill, and $25,000 under the estimates with an increase of $2,660,000 over 1965.

For payments to States and possessions under the matching fund program, pursuant to section 204(b) of the Marketing Act of 1946, an appropriation of $2 million is provided. This is an increase of $500,000 over the House bill and the estimate, for research and development projects which are cost-shared by State appropriations.

An appropriation of $108 million is recommended for the special milk program. This is an increase of $56,500,000 in comparable direct appropriations, due to the fact that last year $51,500,000 of the $103 million made available was transferred from section 32 permanent authorization. The action proposed by this committee last year has resulted in placing this program on a direct appropriation basis as authorized by law.

The budget for 1965 proposed a reduction from $103 million to $100 million for the special milk program. The committee has carefully considered this recommendation in the budget and in view of the showing in the hearing record which reflects an increased demand for the milk program, the committee has recommended increasing this appropriation to $108 million to meet more fully the needs of the program.

The committee has recommended an appropriation of $155 million for the school lunch program, an increase of $8,600,000 over 1965. This amount, together with a transfer of $45 million from section 32 authorization for the purchase of foods, pursuant to section 6, makes a total of $200 million. The reimbursements to the States by cash apportionment will be in the amount of $138,590,000, an increase of $8.6 million over 1965. This amount, together with the section 32 funds of $45 million, will provide an estimated Federal contribution from cash apportionment and food purchases of 5 cents per meal.

Under the food stamp program, which was authorized last year, the committee recommends a direct appropriation of $80 million together with a reappropriation of $20 million for a total of $100 million. The total amount thus made available by reappropriation and by direct appropriation is the amount requested in the budget and approved by the House.

SOIL AND WATER CONSERVATION PROGRAMS

This bill carries substantial appropriations for soil and water conservation for small watershed protection projects for flood prevention for the Great Plains conservation program, and for resource conservation and development under the pilot program. The total amount provided for these several items is $224,917,000. This is a net increase of $10,949,000 over 1965 and an increase of

$3,338,000 over the budget estimates for 1966 and a net increase of $6,558,000 over the amount provided in the House bill.

Under the pilot cropland conversion program, the conservation reserve program and emergency conservation measures, a total of $186 million is carried in this bill. The conservation reserve program was authorized in the Soil Bank Act of 1946 and with the expiration of contracts which are all expected to be terminated by 1971, appropriations for this purpose are beginning to diminish. For 1965, the appropriation was $194 million and the House approved $140 million for 1966, a reduction of $10 million under the budget estimate.

The committee has partially restored the House reduction and has recommended $146 million to make mandatory payments under the conservation reserve contracts. If this amount should be deficient, supplemental appropriations will need to made, or payments deferred until next fiscal year.

For emergency conservation measures, the committee has provided an appropriation of $30 million. This is an increase of $26 million over the House bill and $6 million over the revised budget estimates transmitted directly to the Senate in Document 38, requesting a total of $24 million for 1966. The committee is heartened by the recent action of the Bureau of the Budget to propose a supplemental estimate of $20 million, but the committee hearing record showed that the Department had previously requested a $26 million increase over the original estimate of $4 million and this was before the recent floods which have caused additional damage to farmland. The committee expects that in providing an additional $6 million over the revised estimate some funds will be available to take care of the more urgent land treatment measures which have resulted from flood and drought in recent months.

The bill includes an advance authorization for the agricultural conservation program for calendar 1966 of $220 million. This is an increase of $100 million over the request in the budget and the same amount as provided by the House.

An appropriation of $220 million is recommended as proposed in the budget for the cost-sharing payments under the agricultural conservation program.

RURAL CREDIT PROGRAMS

This bill provides authorizations or appropriations for the various lending programs of the Farmers Home Administration and the Rural Electrification Administration. Under the direct loan account of the Farmers Home Administration, $375 million is recommended. This is an increase of $35 million over the 1965 authorization and over the House bill. The budget estimate had proposed reducing the lending authorization for farm ownership loans from $45 million to $10 million. The committee has restored the $45 million authorization provided last year because it believes the farm ownership program has been very successful and should be maintained at the current level. The bill provides $300 million for farm operating loans.

The committee recommendation also includes $10 million for rural housing grants and loans, $5 million for rural housing for domestic farm labor, $1,200,000 for rural renewal, $5 million for the rural housing for the elderly revolving fund, and $44,692,000, as requested in the budget, for the administrative expenses of the Farmers Home Administration to carry out the various lending programs authorized by law.

RURAL ELECTRIFICATION ADMINISTRATION

Mr. President, this item has been the subject of some confusion both with respect to the action of the committee and in the discussion of that action in the public press.

The committee recommends new loan authorization for the electrification and the telephone programs of $477 million. Of this amount $97 million is for the telephone program, which is an increase of $27 million over the 1965 authorization and is the amount requested in the budget and approved by the House. A contingency fund of $15 million would be set up as part of said total of $97 million.

New loan authorization in the amount of $380 million is recommended for the electrification program with $50 million of same to be available as a contingency fund. The new authorization plus the carryover of $37 million from fiscal 1965 will provide $417 million for the electrification program, which is practically the same amount as was available last year, including the $365 million authorized together with carryover funds from 1964 of $23 million and prior year recissions totaling $29.3 million. The new authorization is $30 million over the budget estimate and the House bill.

I believe it is appropriate at this point to discuss more fully the committee actions in regard to the loan authorization for the electrification program.

In the subcommittee the tentative recommendation was for $350 million of new authorization with $50 million thereof to be placed in the contingency reserve. The subcommittee amount was the same as the budget estimate and the House bill except that the Senate subcommittee recommendation decreased the amount in the contingency reserve from the $65 to $50 million.

In the full committee meeting on the morning of June 30, one of the members proposed an increase of $77 million which would have made $427 million available for 1966. It is my understanding and that of other members of the committee that this motion was comprised of two parts: one of $37 million to replace what we understood was the balance of the contingency reserve of $90 million in the 1965 authorization, which the committee had been advised at 10 a.m. on that date by the budget officer of the Department of Agriculture, would not be released by the Bureau of the Budget, plus a $40 million increase for use in 1966.

Following deliberations in the committee and based upon the foregoing information, the full committee finally reached an agreement to add $50 million loan authorization over the amount in the House bill for a total of $400 million. Of this amount it was understood that approximately $37 million was to replace the contingency reserve funds which would expire at midnight.

Following this action of the full committee on this matter, the bill was ordered to be reported. Then about 3 p.m. on the same date, June 30, word was received that the Bureau of the Budget had advised the Department of Agriculture that it would release the $37 million of contingency reserve funds, thereby making them available for electrification loans either in fiscal 1965, or as a part of authorized expenditures for 1966.

I call attention to the fact that the release was accomplished at midday or later—probably later—on the last day of the fiscal year.

It was decided by me as chairman of the subcommittee after consultation with the chairman of the committee [Mr. HAYDEN] and the ranking Republican member [Mr. YOUNG], that the full committee ought to meet again to give further consideration to the amount of loan authorization for the REA in view of the chain of events I have just described.

The full committee met pursuant to notice on July 1 and those members present—and a quorum was not present at that time—considered various alternatives, as well as the timing involved in the release on June 30 of the contingency reserve funds from the 1965 appropriation. I called the White House and talked with one of the President's assistants; I told him that the committee wanted to know about the time factor. He later called me to advise that, as nearly as could be determined, about 11 a.m. on June 30 the President advised the Bureau of the Budget to draw the necessary papers to release the remaining funds in the contingency reserve, and subsequently between 1 and 2 p.m. the Bureau acted accordingly. The times stated are eastern daylight saving time.

In any event, the action of the President and the Bureau of the Budget was promptly reported over wire services.

After further discussion at the committee meeting on July 1, the members present reached a tentative agreement that in view of all the difficult circumstances surrounding the actions of June 30, the committee action should be changed to reduce the amount of electrification loan authorization from $400 to $380 million with the clear understanding that the committee report would take note of the fact that the $37 million released on June 30 will also be available for loan purposes in 1966, none of same having been committed on June 30.

We were so advised by the officials of the Department of Agriculture. I am sure that what I have stated is in accordance with the facts.

I might state that, speaking for myself, I think this is a generous recommendation and takes cognizance of the difficulties of some of the members of the committee who were placed at a disadvantage last Wednesday, June 30, when following the committee action as then taken they had reported the $400 million figure for 1966 and that $37 million of this amount was to take care of the contingency reserve item. Then almost immediately after, or almost si-

multaneously following that action of the committee, the wire services announced the release of the contingency fund.

When the full committee met again on July 6—at that time much more than a quorum being present—it was recommended that the $380 million be included for the electrification program in view of the sequence of events that I have just described. Thus with the $37 million alluded to included in the fiscal year 1966 funds we provide $417.4 million for REA purposes in the current fiscal year. This motion was unanimously adopted and the bill was ordered reported to the Senate containing the $380 million figure above mentioned.

Mr. President, I have gone to some length to recite these facts in full because to do otherwise would have been an injustice to members of the committee who reported the earlier action of the committee in good faith. I happen to be one of them, because I reported the action of the committee to the Washington press. The matter was circularized in the press in the States that have a keen interest in the subject. The fact that the President had released this $37.4 million at the 11th hour on June 30 was also circularized. I believe that the action taken by the committee, though a little more generous than what we had intended by the action of June 30, was well justified under all the conditions, and it should not subject any member of the committee to any criticism on any score.

I thank members of the committee who have cooperated so fully in bringing out the amended report by the unanimous action of the committee.

While I am mentioning the subject, I wish to say that no one, when he was trying to serve as chairman of an important appropriations subcommittee, has ever had finer cooperation than the Senator from Florida has had from the distinguished Senator from North Dakota [Mr. YOUNG], the ranking minority member of the committee. That cooperation has been fully exemplified in every stage of the production of the bill—in all of the hearings and in all of the executive meetings of the subcommittee and of the full committee. I wish the RECORD to reflect the high degree of cooperation which has been extended by him and, for that matter, by all members of the subcommittee, but especially by him as the ranking Republican member of the subcommittee to whom naturally other Republican members look for guidance and advice.

I am glad that the distinguished Senator from North Dakota is in the Chamber.

APPROPRIATIONS FOR THE COMMODITY CREDIT CORPORATION

I have previously dealt with the reasons for recommending an appropriation of $3,226,800,000 for the reimbursement appropriation for the Commodity Credit Corporation for the entire amount of realized losses in fiscal 1964. The bill also includes appropriations to keep the financing of the foreign assistance programs under Public Law 480 on a current basis. The amounts included in the bill are the same amounts as provided in the budget estimate and carried in the House bill, but the committee has restored the items in the bill to include the separate titles of Public Law 480 as carried heretofore—rather than combining under one head all of the items for Public Law 480—and in order to keep the record clear on the amount made available for each title under the amended authorization act for Public Law 480.

At this stage, since we have discussed the Commodity Credit Corporation, I thank the Secretary of Agriculture for his cooperation in seeking to bring the accounts of the Commodity Credit Corporation to a current basis. I wish the RECORD to show that, acting pursuant to the request of our committee earlier this year, he requested budget action on a supplemental item in a sufficient amount to clear up the entire 1964 losses of the Corporation, and also losses for prior years. The Budget Bureau saw fit to turn down that application, but since the knowledge of this action by the Budget Bureau has just come to my attention, I wish it to be reported in this debate so that all members of the committee and the Senate may know that we have met with complete cooperation from the Secretary of Agriculture in that regard.

Also, we met with complete cooperation from the Secretary on the question of the proposed closings of certain experiment stations and projects. The distinguished Senator from North Dakota [Mr. YOUNG] and I were appointed by the chairman of the committee, the Senator from Arizona [Mr. HAYDEN], to sit with the Secretary of Agriculture to arrive at a settlement as to which of the stations and projects, which are of vital importance, and those which should be continued were separated from those which we felt should not be continued, or might at least be discontinued.

The Secretary of Agriculture was highly cooperative in that regard with the Senator from North Dakota [Mr. YOUNG] and me.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield.

Mr. YOUNG of North Dakota. The Senator from Florida is most generous in his comments regarding my part in the appropriation bill, and I deeply appreciate them. After all, he is the chairman of the subcommittee and did most of the work. As I recall, he held some 47 meetings this year and on the bill he did a very thorough job, probably one of the most thorough jobs that has been done since I have been a member of the subcommittee.

Had it not been for his efforts concerning the closing of the research laboratories, our research programs would have suffered. As a result of the arrangements worked out with the Secretary of Agriculture, we now have a much better working relationship between Congress and the Department of Agriculture, not only with respect to research services but as to many other programs, as well.

Mr. HOLLAND. I thank the Senator from North Dakota both for his kind words about me and his kind words about the Secretary of Agriculture, because, just as he did, I found the Secretary most cooperative in that matter. I have already stated for the RECORD that he has cooperated with us in a matter about which I knew nothing until today. He had requested the Bureau of the Budget to follow the course suggested by the committee, but at that time had been turned down by the Bureau of the Budget. This does not at all mean that the committee will desist from its efforts, because we shall not do so.

Mr. President, for sales for foreign currencies under title I, $1,144 million is recommended. This is a decrease of $718 million from comparable appropriations for 1965.

For title II, commodities disposed of for famine relief, $298,500,000 is recommended. This is an increase of $78,047,000 over 1965.

For title IV, the long-term supply contracts, $215,500,000 is recommended, a decrease of $19,500,000 under the 1965 appropriation.

For the International Wheat Agreement, $27,544,000 is recommended. This is a decrease of $54,294,000 under 1965 due in part to the reduced subsidy payment.

In connection with the bartered materials for the supplemental stockpile, an appropriation of $92,860,000 was made in fiscal 1965. The pending bill does not include any appropriation for fiscal 1966. Subsequent to passage of the bill in the House, the Bureau of the Budget transmitted an amendment to the budget, Senate Document 38, eliminating any budget estimate for bartered materials for the supplemental stockpile. The committee has concurred in the request in the budget amendment. Earlier the House action had reduced the then budget request of $52,500,000 to $30 million and no restoration of this amount had been filed with the committee.

The Bureau of the Budget advises that a review of agreements involving the acquisition of strategic materials for stockpiling is now underway and pending the completion of this review no new barter arrangements will be initiated involving strategic materials. It is expected that the funds appropriated in 1965 will be sufficient to cover the cost of commodities.

RELATED AGENCIES

The committee has approved the full estimate for limitation on administrative expenses of the Farm Credit Administration of $2,990,000. This agency supervises, examines, and provides services to the coordinated system of farm credit banks and land bank associations, and cooperative and intermediate credit banks, all of which are members of the farm credit system.

NATIONAL COMMISSION ON FOOD MARKETING

The committee has restored the budget estimate of $1,500,000 for the National Commission on Food Marketing which was authorized a year ago pursuant to Public Law 88-354. The House bill reduced the appropriation request for this Commission to $750,000; but the committee has restored it to the budget estimate because it believes the Commission should be provided with the

funds deemed necessary to conduct an independent and broad-scale study of food marketing as directed by the authorizing legislation.

This concludes my general statement.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc; that the bill as thus amended be regarded for the purpose of amendment as original text, and that no points of order shall be considered as having been waived.

The PRESIDING OFFICER (Mr. RUSSELL of South Carolina in the chair). Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 3, line 12, after the figures "$100", to strike out "$114,394,000, of which not to exceed $10,393,000 shall remain available until expended for construction, alteration, and improvement of facilities, without regard to limitations contained herein", and in lieu thereof, to insert: "$114,836,800, plus the following amounts, to remain available until expended for the construction, alteration, and equipping of the following research facilities: $1,840,000 for the construction of an insect attractants and stored-products insects laboratory, Gainesville, Florida; $2,990,000 for the construction of a livestock insects and toxicology laboratory, College Station, Texas; $500,000 for the modification of the chemical weed control laboratory, authorized in 1964, for monitoring the impact of pesticides on the environment, Stoneville, Mississippi; $644,000 for the construction of a cotton disease laboratory, College Station, Texas; $92,000 for the construction of cotton-ginning facilities, Mesilla Park, New Mexico; $1,150,000 for the construction of a laboratory for physiology and cotton insects, Tempe, Arizona; $92,000 for the construction of a ginning laboratory facility, Stoneville, Mississippi; $506,000 for the construction of a cotton physiology laboratory, Stoneville, Mississippi; $500,000 for plans and construction of a laboratory for poultry research, Georgetown, Delaware; $500,000 for plans and construction of a water pollution laboratory, Durant, Oklahoma; $719,000 for alteration of facilities at the Agricultural Research Center, Beltsville, Maryland; in all $124,369,800,".

On page 4, line 13, after the word "exceed", to strike out "$24,600,000" and insert "$16,600,000".

On page 5, at the beginning of line 1, to strike out "$71,119,000" and insert "$75,060,000", and in line 8, after "per centum", to insert a colon and the following additional proviso: "*Provided further,* That hereafter no funds in excess of $250,000 shall be available for carrying out the screw-worm eradication program that does not require minimum matching by State and local sources of at least 50 per centum of the expenses of production, irradiation, and release of screw-worm flies:".

On page 6, line 21, after the word "expended", to strike out "$2,000,000" and insert "$4,000,000".

On page 7, at the beginning of line 15, to strike out "$47,113,000" and insert "$48,113,000"; in line 19, after the word "Agriculture", to strike out "$2,000,000" and insert "$3,000,000"; in line 21, after "(16 U.S.C. 582a—582a 7)", to strike out the semicolon and "and not to exceed $400,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88–250 to be transferred and merged with this appropriation", and in lieu thereof, to insert: "$2,000,000 in addition to funds otherwise available", and on page 8, at the beginning of line 14, to strike out "$51,695,000" and insert "$55,695,000".

On page 8, line 21, after "(7 U.S.C. 341–349)", to strike out "$71,230,000" and insert "$75,030,000", and in line 24 after the word "all", to strike out "$72,800,000" and insert "$75,600,000".

On page 10, line 2, after "(7 U.S.C. 1621–1627)", to strike out "$1,141,000" and insert "$1,241,000".

On page 10, line 14, after the word "aircraft", to strike out "$105,373,000" and insert "$106,373,000".

On page 12, line 13, after the word "expended", to strike out "$64,171,000" and insert "$65,671,000", and in line 22, after the word "exceed", to strike out "$4,000,000" and insert "$5,500,000".

On page 13, line 23, after "(16 U.S.C. 590p)", to strike out "$14,864,000" and insert "$17,432,000".

On page 14, line 7, after "(16 U.S.C. 590a–f)", to strike out "$2,813,000" and insert "$4,303,000", and in line 9, after the word "exceed", to strike out "$1,000,000" and insert "$1,500,000".

On page 15, line 10, after the word "products", to strike out "$11,072,000" and insert "$11,591,000".

On page 16, line 8, after the word "laws", to strike out "$13,595,000" and insert "$13,875,000".

On page 17, line 9, after the numerals "1946", to strike out "$75,852,000" and insert "$76,412,000".

On page 17, line 14, after "(7 U.S.C. 1623 (b))", to strike out "$1,500,000" and insert "$2,000,000".

On page 17, line 19, after "(7 U.S.C. 1446, note)", to strike out "$100,000,000" and insert "$108,000,000".

On page 18, line 9, after the numerals "1964", to strike out "$100,000,000" and insert "$80,000,000"; and in line 10, after the amendment just above stated, to insert a colon and the following proviso: "*Provided,* That, in addition, not more than $20,000,000 of the amount appropriated under this head for the previous fiscal year may be transferred to and merged with this appropriation."

On page 21, at the beginning of line 1, to strike out "$111,714,000" and insert "$135,350,000", and in line 2, after the word "exceed", to strike out "$96,615,000" and insert "$75,390,000".

On page 25, line 7, after the word "amended", to strike out "$7,500,000" and insert "$10,000,000".

On page 25, at the beginning of line 15, to strike out "$140,000,000" and insert "$146,000,000".

On page 26, at the beginning of line 2, to strike out "$4,000,000" and insert "$30,000,000".

On page 26, line 10, after the word "Department", to strike out "$500,000" and insert "$750,000".

On page 26, line 24, after "(5 U.S.C. 55a)", to strike out "$10,416,000" and insert "$10,491,000".

On page 27, line 5, after the word "service", to strike out "$4,139,000" and insert "$4,299,000".

On page 28, line 11, after the word "Library", to strike out "$1,599,000" and insert "$1,865,000".

On page 29, line 6, after the word "Agriculture", to strike out "$2,483,000" and insert "$2,500,000".

On page 29, line 22, after the word "Secretary", to insert a colon and the following additional proviso: "*Provided further,* That $60,000 of this amount shall be available only for the purpose of Public Law 88–584, approved September 7, 1964, to establish Federal agricultural services to Guam."

On page 30, line 14, after the word "program", to strike out "$350,000,000" and insert "$380,000,000"; at the beginning of line 15, to strike out "$65,000,000" and insert "$50,000,000", and in line 20, after the word "which", to strike out "$7,000,000" and insert "$15,000,000".

On page 31, after line 8, to insert:

"RURAL HOUSING GRANTS AND LOANS

"For grants and loans for the purposes of section 504 of the Housing Act of 1949, as amended (42 U.S.C. 1474), $10,000,000, to remain available until expended."

On page 31, at the beginning of line 20, to strike out "$40,000,000" and insert "$75,000,000".

On page 32, line 5, after "(75 Stat. 796–798)", to strike out "$2,000,000" and insert "$5,000,000".

On page 32, line 18, after the word "loans", to strike out "$2,500,000" and insert "$5,000,000".

On page 33, line 3, after "(40 U.S.C. 440–444)", to strike out "$42,733,000" and insert "$44,692,000", and in line 14, after the word "increases", to strike out the colon and the following additional proviso: "*Provided further,* That no part of any funds in this paragraph may be used to administer a program which makes rural housing grants pursuant to section 504 of the Housing Act of 1949, as amended."

On page 34, line 6, after the word "expenses", to strike out "$7,478,000" and insert "$8,478,000".

On page 34, line 9, after the word "exceed", to strike out "$4,138,000" and insert "$3,638,000", and at the end of line 10, to strike out the colon and the following proviso: "*Provided,* That in the event the Federal Crop Insurance Corporation Fund is insufficient to meet indemnity payments and other charges against such Fund, such additional amounts as may be necessary may be borrowed from the Commodity Credit Corporation under such terms and conditions as the Secretary may prescribe, but repayment of such amount shall include interest at a rate not less than the cost of money to the Commodity Credit Corporation for a comparable period."

On page 34, line 24, after "(15 U.S.C. 713A–11, 713a–12)", to strike out "$2,300,000,000" and insert "$3,226,800,000", and in the same line, after the amendment just above stated, to strike out the colon and the following proviso: "*Provided,* That after June 30, 1964, the portion of borrowings from Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after June 30, of the fiscal year in which such losses are realized, shall not bear interest and interest shall not be accrued or paid thereon."

On page 36, after line 3, to strike out:

"For expenses during fiscal year 1966, not otherwise recoverable during such year, and unrecovered prior years' costs, including interest thereon, under titles I, II, and IV of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701–1709, 1721–1724, 1731–1736) $1,658,000,000, to remain available until expended for (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said Act, and (3) long-term supply contracts pursuant to title IV of said Act."

And in lieu thereof, to insert:

"For expenses during fiscal year 1966, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701–1709, 1721–1724, 1731–1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, $1,144,000,000; (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said Act, $298,-

500,000; and (3) long-term supply contracts pursuant to title IV of said Act, $215,500,000".

On page 37, after line 6, to strike out:

"BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

"For expenses during fiscal year 1966 and unrecovered prior years' costs related to strategic and other materials acquired as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540, Eighty-fourth Congress (7 U.S.C. 1856), $30,000,000, to remain available until expended."

On page 37, line 25, after the numerals "1964", to strike out "$750,000" and insert "$1,500,000".

Mr. MANSFIELD. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. MANSFIELD. First, I commend the distinguished Senator from Florida, chairman of the Subcommittee on Agricultural Appropriations, who has worked long, hard, and arduously, as always, and has done a superb job, not only on reporting a good bill, but for explainng it so well.

As one who serves under him on that subcommittee, but who unfortunately has not been able to attend many of its meetings, I wish to express my high regard and deep admiration for the work the Senator from Florida has done in this respect.

Mr. HOLLAND. Mr. President, I am overwhelmed by the generous compliment paid by my distinguished leader. I accept it modestly on behalf of myself, the subcommittee, and, indeed, the full committee.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommittee on Irrigation and Reclamation and the Subcommittee on Parks and Recreation of the Committee on Interior and Insular Affairs be authorized to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1966

The Senate resumed the consideration of the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

Mr. HART. Mr. President, I call up my amendment No. 318 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 17, line 23, strike out "$155,000,000" and insert in lieu thereof "$157,000,000, including $2,000,000 for special assistance to needy schools, as authorized by law"

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Michigan yield?

Mr. HART. I yield.

Mr. YOUNG of North Dakota. Mr. President, this is one of the most difficult of all the appropriation bills to handle. It is supposed to be for agriculture, but it includes assistance to almost every segment of our economy. It even includes assistance to foreign countries. Perhaps the most important segment of our economy is agriculture, which provides the food and fiber necessary to sustain life. What could be more important than that?

Over the years, agriculture has not done so well as other segments of our economy. The prices of most agricultural commodities today are lower than they were 20 years ago. They would have been much lower had it not been for some farm programs, the costs of which are included in this appropriation bill.

The cost of farm operations is higher than ever and is increasing sharply day after day.

Most segments of our economy are aided by the Government. Social security is a good example, and it is a good program. Industry can pass on its costs of this and other programs to consumers. Industrial labor can pass on the increased cost of living through labor contracts. But the farmers are practically the only people—there may be a few others—in our economy who have no way in which to pass on their additional costs by way of higher prices. They have no way of setting prices for the commodities they produce.

It is unfortunate that so many items are contained in the bill that have little or no relationship at all to agriculture, because most persons believe that farmers are receiving subsidy checks for all of the money provided in the bill. Nothing could be further from the truth. I should like to read a few items which are contained in the Budget estimates for the Department of Agriculture that came to Congress this year and which have little relationship to agriculture. These estimates were analyzed by the National Farmers Union.

For example, the sales of surplus agricultural commodities for foreign currencies is really one of the most important foreign aid programs. The estimate for this item is $1,140 million.

Emergency famine relief to friendly people, $306 million. This is a part of the Department of Agriculture budget.

Donations of commodities to other groups, $179 million.

Under food distribution programs, commodities distributed to the needy and others, $403 million.

The food stamp plan, $100 million.

The school lunch program, $202 million.

The special milk program, $100 million.

These programs are all a part of the agricultural appropriation bill. Many persons think that farmers are getting checks for all these amounts.

There are also the loan programs, such as the program for the Rural Electrification Administration, $417 million. These are the best investments the Federal Government makes. Their repayment record is almost 100 percent. Many of the repayments are far ahead of schedule.

There is also the Farmers Home Administration, which helps farmers but also operates in the little towns of rural America, towns having populations of around 2,500, where housing loans are concerned. The estimate for this year is $188 million. Most of these loans are made to people who could not get credit elsewhere; yet the repayment record is far above 90 percent.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the entire tabulation prepared by the Department of Agriculture.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

U.S. Department of Agriculture Budget, fiscal years 1964, and estimated 1965 and 1966

[Prepared by Reuben Johnson, division of legislative services, National Farmers Union]

[Dollar amounts in millions]

Programs which clearly provide benefits to consumers, business and the general public	Estimated, 1964		Estimated 1965		Estimated 1966 [1]	
	Amount	Percent of grand total	Amount	Percent of grand total	Amount	Percent of grand total
Programs having foreign relations and defense aspects:						
Sales of surplus agricultural commodities for foreign currencies (title I, Public Law 480)	$1,415		$1,247		$1,140	
Emergency famine relief to friendly people (title II, Public Law 480)	228		211		306	
Donations of commodities acquired by CCC	345		217		179	
International Wheat Agreement	126		30		28	
Transfer of bartered materials to supplemental stockpile	38		80		75	
Long-term supply contracts (title IV, Public Law 480)	60		204		216	
Donations of dairy products to armed services and others	45		48			
Subtotal	2,257	28.6	2,037	29.7	1,944	30.6

Footnote at end of table.

U.S. Department of Agriculture Budget, fiscal years 1964, and estimated 1965 and 1966—Continued

[Prepared by Reuben Johnson, division of legislative services, National Farmers Union]

[Dollar amounts in millions]

Programs which clearly provide benefits to consumers, business and the general public	Estimated, 1964		Estimated 1965		Estimated 1966 [1]	
	Amount	Percent of grand total	Amount	Percent of grand total	Amount	Percent of grand total
Food distribution programs:						
Commodities distributed to the needy and others	$484		$405		$403	
Food stamp plan	30		60		100	
School lunch program	181		191		202	
Special milk program	97		103		100	
Subtotal	792	10.0	759	11.1	805	12.6
REA and FHA repayable loans:						
REA loans	330		187		188	
FHA loans	207		194		84	
Salaries and expenses for above programs	50		53		57	
Subtotal	587	7.4	434	6.3	329	5.2
Long-range programs for the improvement of agricultural and natural resources:						
Forestry	290		327		308	
Agricultural and forestry research	171		208		228	
Plant and animal disease and pest control	62		71		73	
Soil and water resource protection	201		223		207	
Agricultural conservation program	244		256		252	
Co-op agricultural extension work	79		85		86	
Meat and poultry inspection	43		50		5	
Marketing assistance for agricultural commodities	29		22		16	
Other, including FCS, FAS, CEA, FCIC, and staff officers	80		110		120	
Subtotal	1,199	15.2	1,352	19.7	1,295	20.4
Total, nonfarm programs	4,835	61.2	4,582	66.8	4,373	68.8
Other programs which are predominantly for stabilization of farm income, but which also benefit others:						
CCC price-support and related programs:						
CCC loan, purchase, export, and related programs	1,238		121		190	
Acreage diversion payments:						
Feed grains	646		883		516	
Wheat	115		34		40	
Price-support payments:						
Feed grains	382		269		444	
Wheat	79					
Cotton			66		82	
Cotton equalization payments	63		483		316	
National Wool Act program	73		32		39	
Subtotal	2,596	32.9	1,888	27.5	1,627	25.6
Conservation reserve program	290		197		152	
Sugar Act program	87		103		95	
Salaries and expenses for above programs	89		88		110	
Total, farm programs	3,062	38.8	2,276	33.2	1,984	31.2
Grand total	7,897	100.0	6,858	100.0	6,357	100.0

[1] Reflects administration's 1966 budget for USDA.

Mr. YOUNG of North Dakota, Mr. President, the committee has done as good a job as is possible in preparing this appropriation bill. As the chairman of the subcommittee [Mr. HOLLAND] has said, we added nearly $1 billion to reimburse the Commodity Credit Corporation for past losses, as required by law. This makes the bill look bad, but we have done what we should have done long ago. The committee was practically unanimous in all its actions on the appropriation bill. I believe it is a fair bill, and I hope it will be passed unanimously by the Senate.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator for his kind remarks.

I am glad that the Senator has brought out so clearly the fact that the bill, in addition to covering items of great, vital, and immediate importance to farmers, agricultural producers, and stockmen, also covers many objectives which are important to our Government, in the foreign policy field, such as those mentioned by the Senator from North Dakota, in the social or welfare field, in the educational field, and in other fields which do not directly serve the agricultural producers.

No other Senator has been more assiduous throughout the years than the Senator from North Dakota in insisting from year to year that some method be found for separating the very large amounts—more than half of the total in the bill—represented by the many items which comprise the appropriations for Agriculture and related agencies that do not directly serve agricultural producers. However, other important objectives are included in the agricultural field merely because they deal with the products of agriculture.

Mr. President, I yield to my friend the distinguished Senator from Michigan, who has an amendment.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. HART. Mr. President, the amendment to which the distinguished Senator from Florida refers would return to the bill the sum of $2 million, which the budget as submitted to the Congress recommended, to permit us to determine whether section 11 of the school lunch program can provide a means whereby the most needy children in the Nation can more fully participate in a program intended for all children. In 1962 section 11 was added to the national school lunch program. This section created a special fund to make extra funds available for school lunches of needy children. The apportionment formula for this money is spelled out in that section. However, to date no funds have been appropriated to implement this section.

This year $2 million is included by the Bureau of the Budget. It is to reinstitute the sum that I offer the amendment.

At the moment approximately 10 percent of the lunches served under the national school lunch program are being served free or at reduced cost. Careful studies show this does not answer the need for free lunches in many of the poor areas of our larger cities or in the isolated rural areas.

In some localities, the lunch programs now in operation are unable to provide all the free lunches needed. In other places many schools have no facilities for providing even the simplest school lunch, although the majority of the students would be eligible for free lunches.

Straight increase in the regular school lunch appropriation would not meet such needs. This would not answer the problem. Under an apportionment formula, the program would be spread under sec-

tion 11 to schools in areas of acute need.

Section 11 would provide an arrangement for distributing food among those areas based on the per capita income in the State and the number of free or reduced cost lunches that are being served. The program would include schools where the need for the lunches is great and the community resources are inadequate to meet the need. The U.S. Department of Agriculture survey of the school food service in March of 1962 showed that approximately 1,400,000 children were eligible but not receiving free or reduced priced lunches.

Some 500,000 needy children attended schools which had a lunch program. About 900,000 children attended schools with no lunch program. It is these children we want to begin to reach with this added appropriation.

Mr. President, when it was my honor to serve on the Committee on Agriculture and Forestry, this subject was brought to the attention of the committee by the junior Senator from Michigan.

At the direction of the committee, a study was prepared by the Department of Agriculture, seeking to determine how best we could react to the problem of the old school in the downtown city center, to which school went most of the children who were in greatest need, but which school, when it was built, had no kitchen facilities installed. There was no reasonable way in which one could anticipate the entire structure being rehabilitated.

How could we know that we would prudently respond to this most compelling human need? That study is now available for our guidance. It is captioned "Established Central School Lunch Kitchen in Urban Areas. Problems in Cost." It is Agricultural Economic Report No. 72.

Here clearly we see the possibility that, by making available the $2 million which the amendment proposes, we would be able better to understand what we can and cannot do, and whether we should or should not go forward to reach concentrations of needy schools where no lunch programs are available today.

The Senator from Florida and the Senator from North Dakota in those years on the Committee on Agriculture and Forestry were most sympathetic to the problem. I believe it is to the credit of the Senator from Florida that this agricultural economic report is now available.

I feel that it is somewhat unfair to argue, as we sometimes hear in this Chamber, that we do so much for so many people who are thousands of miles away from home but are less sensitive to those who are less able economically to compete and who are located just around the corner.

Here again we come to a problem which is very compelling in its human appeal. I believe that the school lunch program could be expanded substantially and effectively. However, until we make the tests which this money would omit, none of us honestly can identify fully the area of unmet need which could be reached by an expansion of the school lunch program under section 11.

It is for that reason that I hope that we shall be able to add the almost $2 million which the Bureau of the Budget recommended, and which this amendment would provide.

Mr. President, will the Senator permit me to ask unanimous consent to have certain materials, which reflect the reasoning behind this amendment, printed in the RECORD so that they may be available to the conferees?

Mr. HOLLAND. I would be happy to have the Senator do so.

The PRESIDING OFFICER. Is there objection?

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE NEED FOR FUNDING SECTION 11: NATIONAL SCHOOL LUNCH ACT

Every schoolday, 17 million children participate in the national school lunch program. It is a program that has grown steadily through the years and we have been very proud of its growth and the way in which it meets a need.

In 1962, however, we took a long look at that program growth and found that we had been taking too much for granted. A great many schools and a great many children had been bypassed in both rural and urban areas. Over 6 million children in public schools and an additional 3 million children in prviate schools and no food service available. A million of these are children of poverty and, under the National School Lunch Act, would be entitled to a reduced price or free lunch if it were available. An additional 500,000 children attending school with a national school lunch program would and should be entitled to a reduced price or free lunch if there were adequate resources at the local level to finance the added cost.

Through the years, it has been an accepted principle that the lunch program will be self-sustaining in each school or school district. Where the total Federal, State and local resources have been adequate, a lunch program is initiated and maintained and the free or reduced price meal requirement for needy students is met with little difficulty. Where these total resources are inadequate, school officials hesitate to introduce the program.

This is a rural problem and it is an urban problem—it is not a suburban problem. Small rural schools that are headed for eventual consolidation are not about to invest in kitchens and cafeterias. In urban areas, elementary schoolchildren customarily went home for lunch. But the character of urban areas has changed. Many thousands of parents leave for work before the children leave for school. There is not one at home at noon to prepare a meal and, frequently, little food around for the children to prepare their own meal. Older school buildings in downtown areas have limited space for installation of kitchen and cafeterias and such construction can be costly.

Many State school lunch directors have tried to direct available funds to particularly needy areas within each State—to provide for variable rates of reimbursement based on demonstrated need. But the need is so great in many areas and the funds are stretched so thin that State directors hesitate to take funds from one school that may be barely making ends meet in order to give greater assistance to another.

In recognition of this problem, the Congress included section 11 in revising the National School Lunch Act in 1962. The section authorized an appropriation of $10 million with a special apportionment formula under which those schools drawing attendance from particularly needy areas would receive additional money for food. Section 11 has never been funded. This year the Department of Agriculture asked for $2 million in section 11 funds to begin a pilot operation. The Bureau of Budget approved and recommended. The request was turned down by the House of Representatives, which decision was accepted by the Senate Appropriations Committee.

This is a most opportune time to launch a pilot program in a number of areas. We now know the species of the location and extent of need. We have thoroughly explored the pros and cons of centralized operations that could help cut costs in those areas where a centralized operation is feasible. The Elementary and Secondary Education Act of 1965 will have funds available for kitchen and cafeteria equipment and facilities as well as State and local administrative money. Neighborhood Youth Corps and work experience enrollees under the Economic Opportunity Act can be used effectively to minimize overhead costs in school lunch programs while performing needed tasks in the public interest.

The $2 million in special assistance funds, specifically earmarked under section 11 for food for needy areas, would provide the essential and fruitful seed money to initiate, expand and improve a lunch program for those children that need it most.

HOW SPECIAL ASSISTANCE FUNDS (SEC. 11 OF THE NATIONAL SCHOOL LUNCH ACT) ARE APPORTIONED AMONG THE STATES

Special assistance funds are for schools drawing attendance from areas in which poor economic conditions exist, to help such schools serve lunches to children who cannot pay the full cost of such lunches. In apportioning special assistance funds among the States the following method is used:

First, 3 percent of the sum appropriated is set aside for Puerto Rico, Guam, the Virgin Islands, and American Samoa. The Secretary apportions to each of these States an amount which bears the same ratio to the 3 percent set aside, as the number of free and reduced price lunches served in each of these States, the preceding fiscal year, bears to the total of free and reduced price lunches served in all of such States the preceding fiscal year.

Next, at least half of the remaining 97 percent of the sum appropriated under section 11 is apportioned by the Secretary among the States other than Puerto Rico, Guam, the Virgin Islands, and American Samoa on the basis of two factors:

First, the number of free and reduced price lunches served in each State the preceding fiscal year (col. 1 of the table); and second, the assistance need rate (col. 2 of the table) i.e., the relation between the average per capita income of the State and the national average per capita income. This factor is used to adjust the number of free and reduced price lunches served. For example, if the average per capita income of a State is half the national average per capita income, the weight given the free and reduced price lunches in that State would be doubled. Each State's share of the funds available (col. 4) is determined by the relationship of the adjusted number of free and reduced price lunches served to the total number of free and reduced price lunches served in all the States.

Any unneeded amounts turned back by the States are combined with the remainder of section 11 funds (not previously apportioned) and are further apportioned among the States on the same basis as the initial apportionment to the States which need additional special assistance funds.

Estimated apportionment of special cash assistance budgeted for fiscal year 1966 (sec. 11, NSLA)

State	Number of free lunches, fiscal year 1964	Assistance need rate	State index in units of 100	State quotient (percent)	Based on estimate of $2,000,000	
					Initial apportionment of 50 percent	Apportionment of 100 percent of amount estimated
	(1)	(2)	(3)	(4)	(5A)	(5B)
Alabama	5,231,174	7.5	3,923,380	3.06794	$29,759	$59,518
Alaska	643,185	5.0	321,592	.25147	2,439	4,879
Arizona	2,027,942	5.6	1,135,648	.88804	8,614	17,228
Arkansas	3,150,624	7.8	2,457,487	1.92167	18,640	37,280
California	5,549,270	5.0	2,774,635	2.16966	21,046	42,091
Colorado	1,396,607	5.0	698,304	.54605	5,297	10,593
Connecticut	717,088	5.0	358,544	.28037	2,720	5,439
Delware	134,036	5.0	67,018	.05241	508	1,017
District of Columbia	1,453,870	5.0	726,935	.56844	5,514	11,028
Florida	8,037,977	5.8	4,662,027	3.64554	35,362	70,723
Georgia	8,093,606	6.7	5,422,716	4.24037	41,132	82,263
Guam	(101,864)			(.21142)	127	127
Hawaii	807,518	5.0	403,759	.31572	3,062	6,125
Idaho	293,561	6.2	182,008	.14232	1,380	2,761
Illinois	3,814,895	5.0	1,907,448	1.49155	14,468	28,936
Indiana	2,211,639	5.0	1,105,820	.86471	8,388	16,775
Iowa	1,823,204	5.4	984,530	.76987	7,468	14,935
Kansas	763,905	5.4	412,509	.32257	3,129	6,258
Kentucky	9,675,165	6.9	6,675,864	5.22028	50,637	101,273
Louisiana	12,578,156	7.0	8,804,709	6.88496	66,784	133,568
Maine	1,334,973	6.1	814,334	.63678	6,177	12,354
Maryland	1,384,125	5.0	692,062	.54117	5,249	10,499
Massachusetts	3,501,521	5.0	1,750,761	1.36903	13,280	26,559
Michigan	4,177,672	5.0	2,088,836	1.63339	15,844	31,688
Minnesota	2,690,193	5.3	1,425,802	1.11493	10,815	21,630
Mississippi	4,354,287	9.0	3,918,858	3.06441	29,725	59,450
Missouri	3,128,514	5.0	1,564,257	1.22319	11,865	23,730
Montana	1,081,781	5.5	594,980	.46525	4,513	9,026
Nebraska	1,380,463	5.2	717,841	0.56133	$5,445	$10,890
Nevada	216,933	5.0	108,466	.08482	823	1,646
New Hampshire	526,418	5.3	279,002	.21817	2,116	4,232
New Jersey	2,138,185	5.0	1,069,092	.83599	8,109	16,218
New Mexico	2,961,652	6.4	1,895,457	1.48218	14,377	28,754
New York	51,822,194	5.0	25,911,097	20.26154	196,537	393,074
North Carolina	6,312,128	6.8	4,292,247	3.35638	32,557	65,114
North Dakota	852,804	6.0	511,682	.40012	3,881	7,762
Ohio	6,267,326	5.0	3,133,663	2.45041	23,769	47,538
Oklahoma	3,934,378	6.2	2,439,314	1.90746	18,502	37,005
Oregon	630,340	5.0	315,170	.24645	2,390	4,781
Pennsylvania	9,728,145	5.0	4,864,072	3.80353	36,894	73,788
Puerto Rico	(46,305,813)			(96.10946)	57,666	57,666
Rhode Island	201,277	5.1	102,651	.08027	779	1,557
South Carolina	6,627,933	7.8	5,169,788	4.04259	39,213	78,426
South Dakota	895,403	6.1	546,196	.42711	4,143	8,286
Tennessee	9,307,040	7.0	6,514,928	5.09444	49,416	98,832
Texas	8,897,698	5.9	5,249,642	4.10503	39,819	79,638
Utah	1,084,069	5.7	617,919	.48319	4,687	9,374
Vermont	434,234	5.8	251,856	.19694	1,910	3,821
Virginia	4,438,506	6.0	2,663,104	2.08245	20,200	40,400
Virgin Islands	(1,237,041)			(2.56753)	1,540	1,540
Washington	1,643,184	5.0	821,592	.64245	6,232	12,464
West Virginia	4,600,078	6.6	3,036,051	2.37408	23,028	46,057
Wisconsin	2,802,019	5.1	1,429,030	1.11745	10,839	21,679
Wyoming	136,906	5.0	68,453	.05353	519	1,038
American Samoa	(535,567)			(1.11159)	667	667
Total	266,076,086		127,883,135		1,030,000	2,000,000

Mr. HOLLAND. Mr. President, I would be less than fair if I did not say to the distinguished Senator from Michigan that this matter has arisen before and has been the object of considerable discussion, both in the subcommittee and in the full committee. It has developed that some States take care of this problem themselves, as it exists within their boundaries. Perhaps that is because the pockets of poverty are less frequently found there, and the total number affected is less than in other States. I am not sure.

Some Senators are fearful of embarking upon this program. As the Senator will recall, the authorization for the first year would be $10 million. However, there is no limit upon the authorization for subsequent years. In other words, it is an open-end authorization.

A good many Senators are skeptical about the desirability of going into the program. They would rather raise the figure for the entire program, as we have done in the past. I have discussed this problem with my distinguished friend the ranking minority committee member, the Senator from North Dakota. We agree to take this item to conference for a full discussion.

There are real difficulties in connection with this item, as to whether it is a wise course in the judgment of Senators to enter this program in this way.

The $2 million is spread out over the 50 States and the other dependencies also are allotted 3 percent of the money. The amounts going to the States or the dependencies would amount to very little in any one case.

The biggest possibility of help would be rescheduling and reprograming items which would not be needed in some States but would be needed in other States.

Perhaps a good record could be made on a trial basis that would justify the continuance and enlargement of the program.

At any rate, we are agreeable to taking the amendment to conference. We appreciate the compassionate way in which the Senator has discussed the subject. It is enough to appeal to the compassion of all of us. Yet it involves some real, practical difficulties, which I am sure the Senator well understands.

Mr. President, I am willing to take the amendment to conference.

Mr. HART. Mr. President, I would not want to leave the floor without thanking the Senator from Florida and the Senator from North Dakota. I appreciate the problems that are involved.

Mr. PROXMIRE obtained the floor.

Mr. HOLLAND. Mr. President, has the amendment been acted on?

Mr. PROXMIRE. I am glad to yield, without losing the floor, for the purpose of having the amendment acted upon.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment was agreed to.

Mr. PROXMIRE. Mr. President——

Mr. BASS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am glad to yield to the Senator from Tennessee.

Mr. BASS. I have a very short amendment, which I hope can be disposed of in a wink's time.

Mr. PROXMIRE. Did the Senator from Tennessee say a week's time?

Mr. BASS. No; a wink's time.

The PRESIDING OFFICER. The amendment offered by the Senator from Tennessee will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 12, line 13, to strike out "$65,671,000" and insert in lieu thereof "$65,746,000".

TO PROVIDE A RIVER BASIN STUDY KNOWN AS THE CHICKASAW-METROPOLITAN SURFACE WATER MANAGEMENT PROJECT IN SHELBY AND OTHER COUNTIES IN WEST TENNESSEE

Mr. BASS. Mr. President, the amendment I am offering would merely add $75,000 to the watershed protection section of this appropriation bill for the purpose of allowing a comprehensive river basin study of all streams draining through Shelby County, Tenn. The Shelby County Conservation Board, the Shelby County Soil Conservation District, and the Shelby County Court, together with the Tennessee Department of Conservation, have all requested that this study be made. The various surrounding counties have also endorsed this study.

The study would be conducted, under the authority of section 6 of the Watershed Protection and Flood Prevention Act, over a 3-year period, costing a total of approximately $300,000. Of this sum, the Shelby County Conservation Board would provide 25 percent and the Federal Government the other 75 percent, the Federal Government's share being $75,000 annually for the 3-year period.

The study area of approximately 1,237,000 acres will include the entire watershed land area of all streams draining through Shelby County. These streams are: the Loosahatchie River, the Wolf River, Monconnah Creek, and Horn Lake Creek. The study area would involve all of Shelby County and portions of Tipton, Fayette, and Hardeman Counties in Tennessee; and portions of Benton, Marshall, and De Soto Counties in Mississippi. This basin study would provide an inventory of all soil and water

resources in the area, and a master plan for a coordinated, systematic approach to the full development and utilization of these and related resources for the use of all the people in the area. Inasmuch as it proposes to bring together the interests and needs of the urban and rural people involved, the proposed study would be a pioneering venture.

The surveys and studies would be made by a team of Soil Conservation Service technicians in close consultation with local sponsors. The Shelby County Conservation Board will be responsible for the coordination of all agencies and groups concerned with the study. This board has the authorization and the resources necessary to undertake this proposal during the fiscal year 1966.

Mr. President, there is an urgent need for the immediate appropriation of funds for this study in order that it may get underway during this fiscal year.

These reasons include:

First. The rapid expansion of Memphis into the rural areas without the benefit of a broad resource capability plan.

Second. The urgent need for protection against floods and sediment damages in the expanding suburban areas.

Third. The urgent need to reduce damages to agriculture, land, and property caused by flooding, sediment, and erosion.

Fourth. The urgent need for water-based, outdoor recreational facilities.

Fifth. The urgent need for options and purchase of needed land areas for public use before their sites are preempted or skyrocketing costs make acquisition difficult or impossible.

I might note, Mr. President, that all but one of the counties affected by this study are rated among the lowest per capita income counties in the United States.

The officials of the Department of Agriculture have indicated that the only reason provisions for this study were not included in the Department's budget recommendations was that the request was not received prior to the submission of these recommendations. They indicated that they thought the project was a very worthwhile one and that, had it been received in time, it would have been included. They indicated that if it was not included in this year's appropriations, then they would recommend it be included in next year's.

In the overall appropriation bill this $75,000 is, indeed, a very minor, if not insignificant item, Mr. President. However, to the people of Shelby County, Tenn., and the other counties affected it is anything but small. Another year's delay not only adds to cost of flood and sediment damage, but may materially affect the overall cost of the project due to increase in land prices and expansion of urban and suburban areas. I, therefore, strongly urge the Senate to adopt this amendment which would mean so little in terms of money appropriated and yet which means so much to the people of west Tennessee.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BASS. I yield.

Mr. GORE. I congratulate my distinguished colleague upon his offering the amendment. It is a worthwhile undertaking. The amounts are not large, as the Senator has said, but the purpose to be served is, indeed. I hope the distinguished and able chairman of the subcommittee will accept this amendment.

Mr. HOLLAND. Mr. President, this is a matter which came to our attention during the hearings, and was called to our attention by both Senators from Tennessee, and by others. We questioned the Soil Conservation Service witnesses about it. We found that this matter was regarded as meritorious and was on their schedule for the next request to be placed in the budget for the next year. Emergency conditions which have arisen since that time are such that the Senator from North Dakota [Mr. YOUNG] and I, representing both sides of the committee, are willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee [Mr. BASS].

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, first I should like to join in the general commendation which has been given to the Senator from Florida. Just think of it. 47 days of hearings. I doubt whether there has been any other appropriation bill which has received that kind of attention. Having served 3 years on that committee, I know that there is no subcommittee chairman who gives more diligent attention and probing attention to the bill than does the Senator from Florida. I believe I can say without fear of contradiction that he attended virtually all, if not all, of the many days of hearings.

It is a complicated bill, which received the expert, diligent, and thoughtful guidance of the Senator from Florida. I think all Senators should be grateful for it.

Also, I join in the sentiments so eloquently expressed by the Senator from North Dakota [Mr. YOUNG] in pointing out that, while this is a big appropriation bill, involving $6.7 billion, much of it is not for the farmers, and that farmers have been having an extraordinarily difficult time, that they have not enjoyed the general prosperity that others in the country have in the last 10 or 15 years. The income of the farmers has come up little, if at all, and their costs have gone up a great deal.

The bill not only assists the farmers but assists the economy as a whole. Even if the bill assisted only the farmers, whether it be in rural electrification, soil conservation, or in other similar ways, it is a bill which helps to maintain the most efficient agricultural economy that exists anywhere in the world, and by so doing keeps down the costs of food to all consumers.

I shall speak briefly on one item. I have no amendment to offer. I refer to an item which does not contribute very much to farm or farm income, but it does affect the rest of the country.

Mr. President, it is a strange development that one of the controversial provisions in the agricultural appropriations bill is for the special milk program for our Nation's schoolchildren. For, unlike the Dirksen amendment, the voting rights bill, or "repeal of 14(b)," the school milk program has hardly any enemies at all. Everyone knows the virtues of milk. And the beauty of this provision is that it costs nothing; it simply channels otherwise surplus milk into hungry little American stomachs. And yet the House, and the administration's Budget Bureau are—for no publicly admitted reason—determined to starve the program.

For fiscal year 1966, the administration has requested $100 million. The Agriculture Appropriations Subcommittee, under the leadership of our distinguished chairman, the senior Senator from Florida, has recommended $108 million. I cannot overemphasize, or praise too highly, the part which the Florida Senator's guidance and foresight have played in development of the school milk program. Every year since the program started the subcommittee has increased the program's appropriation above the amount requested by the administration. The influence of the Senator from Florida—and Florida is not a major milk-producing State—is largely responsible for this progressive attitude.

It is essential that the Senate express its firm determination to retain the full $8 million increase in conference committee. For, unfortunately, as I have said, the House of Representatives has gone along with the administration and recommended only $100 million.

A brief history of appropriations for the program illustrates why the $8 million increase is fully justified. Last year, for fiscal year 1965, Congress granted $103 million for the milk program. The administration had requested $100 million. In response to an amendment of mine, an increase of $3 million was granted. Even the $103 million, however, was not enough to pay for the milk which was consumed. Cutbacks had to be made in the reimbursement rates to schools. On the basis of the best information we can get, a fully funded school milk program could have used $108 million in fiscal year 1965.

For, even with the $103 million appropriation, 5-percent cutbacks had to be made in payments to schools.

In the light of these facts about last year, it is little short of astounding that the administration has requested only $100 million for fiscal year 1966; $108 million could have been used last year, yet only $100 million has been asked for this year. Almost everyone agrees that economy is a good thing. Can the same be said for keeping milk away from children?

There are two main reasons why much more than $100 million is needed for fiscal year 1966.

First, milk distributed as part of the program will be provided this summer to children attending classes under the new Project Head Start. Unless more funds are provided, every pint of milk consumed under Project Head Start will be

1 less pint consumed during the regular school year starting next fall.

Project Head Start officials have told me that approximately 525,000 children will be attending 40 days of classes this summer. Every child is eligible for 2 one-half-pint cartons of milk a day, in addition to that given with lunch.

Head Start officials are doing all they can to encourage every child to drink that pint a day. They well understand that learning is almost impossible for hungry children, or for children suffering from malnutrition. Dr. Julius Richmond, Project Head Start director, has said:

> Studies indicate that poor nutrition during early childhood has an effect not only on physical growth but on the mental functioning of the child. The emphasis in Project Head Start on improving nutrition is designed therefore to improve all aspects of the child's growth and development.

For each one-half-pint carton, reimbursement of 2 cents is made from the Agriculture budget. Thus, we should add $840,000 to Agriculture appropriations to take care of milk for Project Head Start.

The second reason why more than $100 million is needed concerns the annual growth of the program. During the regular school year 1965–66, it is expected by the Department of Agriculture that 6 percent more milk will be consumed than during the past year. Numbers of half pint cartons consumed will increase from 3,093 million to 3,278.6 million.

Mr. President, if $108 million was actually necessary last year, and there will be a 6-percent increase, an addition of $6,480,000 is necessary for the normal fiscal year 1966 program.

Taking this increase along with the amount required for Project Head Start, it is apparent that a total appropriation of $115,320,000 is justified for the special milk program in fiscal year 1966. It was for this reason that I proposed the increase in the Agricultural Appropriations Subcommittee.

We on the subcommittee, however, are responsible for the optimum allocation of limited resources among competing programs. To increase funds for one program is often to decrease funds for other programs. For this reason, although I had hoped for more, I have agreed to the $108 million appropriation for the special milk program.

I urge my colleagues, especially those who will be appointed Senate conferees on this bill, to strive for full retention of this amount. Every dollar is needed. To settle for less would be to deprive children—those from poverty-stricken families—who benefit most from the program. It is they who would be the first to suffer from cutbacks in the program.

Mr. President, let me say one more thing. I stated, in the course of my remarks, that there is no economy at all in cutting back the school milk program, now. And, there is not, because we have on the lawbooks of this country a mandatory requirement for price supports for milk at 75 percent of parity. If the milk is not going to hungry schoolchildren, then it goes into storage and is wasted.

The alternative to dead storage for milk is to take that milk which is in storage, and not being used at all, and make it available to schoolchildren.

What we are asking for in the bill—and the Senator from Florida has championed it for us—is the increase of $8 million in the school milk program. I thank him from the bottom of my heart, as I know the people of Wisconsin would join me overwhelmingly in thanking the Senator from Florida, and in pleading with him to carry on the good fight when the matter goes to conference, in order to obtain as much of this $108 million as possible.

Mr. HOLLAND. Let me thank the Senator from Wisconsin very much for his kind remarks, which apply equally to the Senator from North Dakota [Mr. YOUNG], who has worked so hard on this bill. We agree with the Senator's argument, to prevent the same amount of milk going into the processing of products which the Government price supports. We believe that it is preferable to give fresh milk to children who need it.

Mr. President, I know of no further amendments to be offered.

The PRESIDING OFFICER (Mr. RUSSELL of South Carolina in the chair). The bill is open to further amendment.

Mr. HOLLAND. Mr. President, I ask for a third reading on the bill.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. YOUNG of North Dakota. Mr. President, I wish to commend the staff members on this subcommittee for the fine work they did—especially Ray Schafer.

This bill is the most difficult and complicated of all appropriation bills.

The minority members have also been helpful to me, working on this side of the aisle. Ed King, too, has done a wonderful job.

Mr. HOLLAND. Mr. President, I am sorry if I was remiss in not mentioning the members of the committee staff Mr. Schafer, and Mr. King for the minority, and Joe Stewart, the young attorney for the staff. They have all worked long and hard to help us turn out a good bill.

We have certainly leaned upon them. They have rendered us excellent service, and I join the Senator from North Dakota in his commendation.

Mr. AIKEN. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield.

Mr. AIKEN. Mr. President, I would feel negligent if I did not make my contribution to what has been said about the chairman of the subcommittee [Mr. HOLLAND], the Senator from North Dakota [Mr. YOUNG], and the members of the committee staff. I believe that they have all done an exceptional job, a job which required a great deal of patience, and a great deal of time, but which they were surely capable of handling.

Therefore, I wish to say at this time that American agriculture and the country as a whole owe a great debt to the chairman of the subcommittee, the Senator from Florida [Mr. HOLLAND], and the ranking minority member, the Senator from North Dakota [Mr. YOUNG] and all members of the staff who have contributed so much to report a bill to which there appears to be so little objection.

Mr. HOLLAND. I thank the Senator from Vermont for his comments.

I invite attention to the fact that there is no greater friend of agriculture, no one in the Senate who knows more about agriculture generally and its needs, than the Senator from Vermont. The Senator has been an agriculturalist for many years. He took time out to be Governor of his State. He has been in the Senate long enough to be the ranking Republican Senator, which gives evidence of the high esteem in which he is held by the people of his State, as well as in the Senate.

We all appreciate his kind comments and are glad to have him sitting in with us as an ex officio member of the subcommittee, as the ranking minority member on the Committee on Agriculture and Forestry.

Mr. AIKEN. If the Senator will permit me to say this, I was a spare wheel on the committee, being the only one, who was not a member of the full Appropriations Committee.

I must plead guilty not to have attended all the hearings of the subcommittee as I wanted to do.

I had other committee meetings to attend at the same time. I had full confidence in the chairman of the subcommittee and in the ranking Republican member. I knew that they would do the right thing; Mr. HOLLAND, I thank the Senator. We hope that his confidence is not misplaced.

Mr. YOUNG of North Dakota. Mr. President, I appreciate the kind comments of the Senator from Vermont. He has been a wonderful friend of agriculture.

Mr. McCARTHY. Mr. President, I commend the chairman and members of the Subcommittee on Department of Agriculture Appropriations and members of the full committee for their work on this measure.

American farmers have been suffering severe economic difficulties for many years, and the funds provided in this bill are certainly fully justified as part of the required effort to assist farmers. The farmers of this Nation have established a remarkable record as producers. They have effectively used new methods based on research and technology to increase their efficiency. I regret that they have not been fairly compensated in the market, and until they are, a number of programs for which funds are provided by this bill continue to be necessary.

I support the action taken by the committee in providing additional funds for the Soil Conservation Service so this important work can be continued. A budget proposal this year recommended establishment of a revolving fund, with a requirement that part of the cost for technical assistance now furnished by the Service be charged against the farmer. I do not believe the case for any change

of this kind has been established, and I share the view expressed by the committee in the report that no change in financing will be undertaken in the absence of legislation.

The committee bill also restores the budget request of $4.3 million for the resource conservation and development program. This is $1.4 million over the House recommendation. I support the committee action on this point. One of the ten pilot resource conservation and development projects in the Nation is the western-central Minnesota project, which includes Kandiyohi, Swift, Pope, Otter Tail, and Wadena Counties. I have visited with local leaders and am impressed by the degree of local interest and the spirit of cooperation shown by representatives of the many groups involved. They have planned many projects to conserve water and soil resources, to improve the economic base of the area and to develop recreational and wildlife facilities. As a result of resource conservation and development planning two parks have been improved, a number of camp sites developed, a game refuge and a lake for a 100-acre wildlife area established. Plans are completed for a number of other projects. The committee recommendation will help accelerate work on existing resource conservation and development projects and it also provides funds for planning additional projects beyond the pilot programs already approved.

The committee report also contains recommendations which are important to help meet special problems. One of these concerns bluecomb disease in poultry. Last year this disease caused losses to turkey producers estimated at $7 million. Very little is known about the disease and very little research has been done. The University of Minnesota has had a small research project and the producers themselves had underwritten private research, but these efforts have been insufficient.

I am pleased that the recommendation that several of us made to the committee—that funds be designated in the general contingency fund to accelerate research on bluecomb disease—has been approved by the committee and that the committee report recommends $50,000 for this purpose for fiscal year 1966. The committee also recommends that next year's budget include the required funds to place this project on a regular basis.

Mr. President, rust continues to be a hazard to cereal grains and to cause heavy losses in wheat, oats, barley, and rye crops. The development of new rust-resistant grains depends upon detection and identification of new rust varieties.

The Federal-State rust research program has been located at the University of Minnesota for nearly 50 years. Last year the research specialists at the laboratory worked with nearly 2,500 collections of rusted wheat, oats, and barley from 32 States. Unfortunately, the cereal rust laboratory housing is very inadequate and some of the facilities are scheduled for demolition. A new Federal research facility is required if this national laboratory is to continue to provide effective research. I urged the committee to give consideration to this problem, and I am pleased to note in the report that the committee recommends $50,000 to develop plans for a new cereal rust laboratory. I hope that next year funds will be approved to construct the needed facility.

Another recommendation in the report which will be helpful to many farmers is $150,000 for a 2-year study of the problem of egg pricing, to be conducted by the Economic Research Service. The continued low return on eggs has threatened to eliminate farm families from the egg business. As with many other farm family operations, the problem is not that of the efficiency of methods but of low market prices, and egg market pricing appears to be particularly in need of study. This survey will not solve the problem, but it should provide information needed to improve the mechanism and to enable farm producers to receive a return somewhat closer to parity.

Mr. President, some of the items I have mentioned and others in the report involve small sums, but they are of great importance in meeting special problems facing farmers. I believe the report reflects the careful consideration given by the chairman [Mr. HOLLAND] and the members of the subcommittee which handles Department of Agriculture appropriations. I again commend them for the attention they have given to needs of farmers in all sections of the Nation.

Mr. HOLLAND. Mr. President, I thank the Senator from Minnesota for his kind comments. It has been a pleasure to work with all the members of the subcommittee.

Mr. YARBOROUGH. Mr. President, it has been my pleasure to observe the superior quality of the bill which we have before us and to note that this is the result of the hard work of the distinguished Senator from Florida [Mr. HOLLAND] and the equally distinguished Senator from North Dakota [Mr. YOUNG], and an industrious and efficient staff.

I want to express my appreciation to these two Senators for the many hours they spent in the hearings on this bill and for the fair way in which they thoughtfully weighed each and every request presented to them. Because of their skill and diligence the committee is able to report out to the Senate an excellent bill for its consideration. Indicative of the superior quality of this bill are the actions which the committee has taken as regards cotton, as regards soil and water conservation, and as regards the Rural Electrification Administration. In these three areas, as in many others, the committee has shown a wisdom and a fairness beyond that of the Bureau of the Budget and beyond that of the House.

With cotton, the committee has recommended actions which in the long run will do much to rescue this crop from the deplorable condition it is now in. For the last few years the cotton farmer has been the victim of a devastating cost price squeeze. Over the last 2 years he has had to withstand a price reduction of $17.50 per bale. Realizing that the key to bringing production costs into line with world prices is research, the committee has recommended an acceleration in cotton research. Such an acceleration is vital if costs are to be cut and American cotton is to be made competitive in the world market. At the same time that the committee has had the foresight to accelerate research in lowering the costs of producing cotton, it has refused to accept the Department of Agriculture's scheme of lowering cotton production by changing the regulations concerning skip-row planting. This scheme, as I think everyone who is familiar with the proposed changes in regulations will admit, is unjust, inequitable, and ruinous to our dryland farmers. The Department of Agriculture was simply attempting to use its powers to make technical changes in the regulations concerning acreage allotments to bring about a policy change which should only be made by the Congress. I am happy to report that the Senate committee has agreed with the House that such changes should only be made by legislation which will view cotton production and marketing as a total problem area.

Soil and water conservation is probably the most progressive and farsighted program entrusted to the Department of Agriculture. Here is a program that has made our land better. Through it we have built up the fertility of our soil, improved our water resources, and fortified our land against the ravages of wind and water erosion. When the day comes, and it is not long off, when the problem facing American agriculture is not overproduction but rather producing enough to feed the world's exploding population, this land will be ready. Our resources of soil and water will be more capable of meeting this challenge than if the settlers of this country had set our land aside and it had never been tilled. In recognition of these facts, the committee has very rightly operated under the principle that it would be penny wise and pound foolish to downgrade our soil and water conservation program. Thus the committee has recommended an amount of $17,432,000 for the Great Plains conservation program. This is $2,568,000 above the amount requested in the budget. Full approval of the committee's figure by the Senate will mean that the Department of Agriculture can start reducing the backlog of 4,600 unserviced applications submitted by farmers and ranchers for conservation projects in that vast water scarcity region extending between the 100th meridian and the Rocky Mountains. This is an area which includes land in over 10 States and 392 different counties, including 96 Texas counties. Also in the area of soil and water conservation, the Senator from Texas is happy to report that the committee has recommended the completion of the Southwest Great Plains Research Center at Bushland, Tex., near Amarillo. This is a station which, although approved in 1961, has been only half constructed. The planning funds provided in this year's budget will mean that plans

can be drawn so that the station's construction can be finally completed.

Lastly, I congratulate the committee for raising the appropriation for the Rural Electrification Administration electric loan program from the House-passed figure of $350 to $380 million.

I point out that this is an increase of not $30 million, but rather $67 million over the House-passed figure. As the Senator from Florida has already noted, it was not until the very day on which we were completing the final markup of this bill, the last day of the just-ended fiscal year, that the Bureau of the Budget, much to our surprise and the surprise of the Department of Agriculture, released $37 million in contingency funds, a sum which that the committee had been notified on that morning would not be released. I want to congratulate the Senator from Florida for being able to reach a compromise to which all on the committee could agree in spite of the fact that this was an item on which various members of the committee had strongly differing opinions.

Under the able leadership of the Senator from Florida we reached a compromise; and I personally am most happy with the figure recommended by the committee. Although I think this is a program on which we could spend much more money than here recommended, this amount will go far to help the REA insure that every rural American will not only have electricity, but will have it in the same quantity and at as low a price as can be obtained by those living in our cities.

Although, as I said at the beginning of my remarks, this is an excellent bill that we have before us, and I again commend the Senator from Florida [Mr. HOLLAND] and the Senator from North Dakota [Mr. YOUNG], there is one item in the bill where I feel the committee has made a mistake. That concerns the committee's recommendation to place the maintenance of an international barrier zone to keep screw-worms out of the country on a matching basis rather than under full Federal financing. Although I certainly recognize that in a pest eradication program it is certainly fair that financing be on a matching basis and my State did participate on a matching basis.

It is my contention—it is the contention of the Department of Agriculture, overriden by the committee; it is the contention of the Bureau of the Budget, overriden by the committee language; it is the contention of the House of Representatives, changed by this committee language—that the maintenance of the barrier zone between the United States and another country used to prevent the infiltration in this country by a pest should be under full Federal financing.

Placing maintenance of the barrier zone on a matching basis grossly penalizes those cattle raisers in the Southwest simply because they live along the Mexican border and for no other reason. In effect it means that the cattlemen in the southern parts of the States of Texas and New Mexico are being used to pay to protect the whole southeastern half of our Nation from the terrible ravages that screw-worms inflict upon cattle herds. It is because I feel so strongly that the committee's recommendation is unfair and unjust that I reluctantly must disapprove of the recommendation of the committee to put into the bill language which will prevent the Department of Agriculture from undertaking full financing for the maintenance of the barrier zone. I want the chairman of the subcommittee to know that I greatly regret doing this, for I have the utmost respect for his wisdom and fairness. I only hope that in future years the committee will see that there is a vital difference between a pest eradication program and the maintenance of a barrier zone. The first should very rightly be carried on under matching grants, the second, like any quarantine program, should be under full Federal financing, as is for eradicating the Mediterraneon fruit fly or any other pest which is entering the country in a new infestation. Maintenance of a barrier zone is a quarantine problem and should be treated as such.

In the hearings in the committee much was said about the rich cattle ranches in the Southwest. My State has more family farmers in it than any other State in the Union. It is a State of small farms and small cattlemen.

For example, the latest census, taken in 1959, showed that in Florida the average size of a cattle ranch is 4,556 acres and the average value of the cattle ranch is $400,864, or a value of $88 per acre.

In Texas, the average size of a cattle ranch is 3,370 acres. The average value of a cattle ranch in Texas is $119,714—a little bit more than one-quarter of the value of the average Florida cattle ranch. The average value per acre of the Texas cattle ranch is $35 an acre as compared to $88 per acre in Florida. So the average Florida ranch is bigger and is worth 2½ times as much an acre. In total, it is worth almost 4 times as much per ranch. Texas is not an area of vast wealthy ranches; it is an area of stock farmers. There are few large ranches, such as the King ranch, but mostly we have many small ranches. The small farm ranches should not be called upon to maintain a Federal program of quarantine zones.

I thank the Senator for the very fine other provisions in the bill.

Mr. HOLLAND. Mr. President, first, I wish to express my deep appreciation and, I am sure, the appreciation of the members of the committee, for all the kind words which the Senator from Texas has spoken.

If he ever joins the chamber of commerce, I wish to see that he is employed in my State, because I have heard no finer argument as to the great qualities of my State and the great values there than those which he has stated.

The problem of the screw worm is a matter which I regret; it is one in which I have very strong feelings. I suspect that our State has had the most severe experience with the screw worm of any State in the Nation, and we were not the original home of it. We got it from Texas. During the bad drought there some of the cattle were brought into our State and promptly the screw worm developed. We all admit that. We are so glad to have people and everything else from Texas—a fine State—imported into Florida. But that was one time when things did not work out right. We found that since they overwinter, as they say, in almost all the peninsula of Florida, we are subject to the ravishes of the screw worm perhaps more than any other part of the Nation, because they are there all the year round. We had a terrible time getting rid of them.

Not for one moment would I have the Senator think that we are not sympathetic with the problem. But I have great difficulty, and other members of the committee did as well, in differentiating between his problem and the problems of those who have the imported fire ant or the imported cereal leaf beetle or the imported Mediterranean fruit fly, or the imported citrus canker, or other diseases or pests that have come in through the Federal wall, that is, through the quarantine system, and yet have to be stamped out in every case by a 50–50 contribution from the State and local sources and by the Federal Government.

I have not been able to feel that eradication has been completed in Texas; and the reports of the scientists show that there were 240 reinfestations last year from screw-worm in the northern counties of Texas and New Mexico north of the zone of which the Senator from Texas has spoken.

I do not desire to close my mind or close the minds of the members of the committee—I would not have that power—as to future discussion of the problem. But as things now stand, I find great difficulty in distinguishing between the various foreign pests which assail us and the uniform rule which applies elsewhere for the 50–50 requirement that I referred to.

The committee was asked to grant the request of the States of Arizona and California for an extension westward of this effort this year, and to meet their condition, a 50–50 use of funds for the purpose of eradicating the screw-worm in those States. I hope that we shall find a better way to stop them than what has been found to date. My own feeling is that unless the States and growers affected are contributing—which means that the stockmen themselves are intimately in the picture—I am sure we shall not have the high degree of cooperation and the high degree of effectiveness which is required to eradicate this very bad pest, which formerly cost the cattlemen in my State, I was told, something like $20 million a year, and which the experts say cost the cattlemen of the great State so well represented by the Senator from Texas somewhere between $25 million and up to $100 million a year in the worst years of infestation there.

So I hope that the Senator will bear with me and with other members of the committee in our feeling that at least at the present time the 50–50 rule should be applied.

I see no reason why I should not state here, as I did in committee—it is pertinent to the inquiry of the distinguished

Senator from Texas—that I am quite amenable to the thought of reducing the 50-percent contribution by the States affected if the effort toward eradication is shown to be more conclusive, more successful, than it has been shown to be in that area. I recognize that Texas has difficult problems because of its long frontier with Mexico, which is badly infested by the screw worm. The same problem affects New Mexico, Arizona, and California. Congress eventually will have to devise a formula that will be fair to those four fine States and to their cattlemen.

Many times I have suggested to the distinguished senior Senator from Texas that rather than having the burden imposed on the individual cattlemen who are affected, I hope that he will suggest that his State wait and handle the matter the same as it has been handled in all the Southeastern States, which have now been cleared of this infestation. They contributed, as did my State, on a 50–50 basis. They have contributed the same amount since the departure of the Federal Government, because they do not want any reinfestation. We even had a quarantine line along our northern boundaries when there was some reinfestation 2 or 3 years ago in Alabama and Mississippi.

So I shall not close my mind. I want the record to show that the distinguished senior Senator from Texas has assiduously, perseveringly, and, as effectively as could be done, argued the case for the cattlemen of his State. I regret that I have not been able to decide, nor has the committee, in the matter of the screw worm, as we did with respect to the Great Plans conservation program and to so important a situation as the Texas A. & M. Research Center, and other programs in his State.

We want to provide his great State what is needed and to treat it in the fairest way possible, just as we would treat our own States. But the committee, with the single exception of the senior Senator from Texas, felt that it would be difficult to distinguish between his State and other States—some of them much poorer States—which are infested by the fire ant and some of the other pests I have named, States which have put up 50 percent of the funds for eradication measures.

I hope the Senator from Texas will bear with us and will forgive us this one particular instance in which we have not agreed with him, but will give us credit on the other side of the books for the 9 or 10 instances in which we have agreed with him.

I appreciate his good humor, his good nature, and his willingness to have the problem studied.

Mr. YARBOROUGH. Mr. President, I thank the distinguished Senator from Florida for his kind remarks and particularly for his willingness to study the proposal again next year, when we hope to bring new facts before the committee, in addition to certification by the Department of Agriculture that this zone is free of the screw-worm and is therefore entitled to be treated as a free zone.

Mr. TOWER. Mr. President, as we consider the agriculture appropriations bill, I believe there are several vital points which should be made. This is a bill in which the Congress has exercised its experience and wisdom in several instances in providing important services that the administration has regarded with lukewarm enthusiasm.

This, is I believe, a graphic example of the wisdom which the Congress can bring to bear in fields where its Members and its committee have a wealth of information and knowledge.

I am particularly gratified that the Congress has rejected an administration proposal to cut back by $20 million funds for the conservation and research operations of the Soil Conservation Service.

It has been estimated that if the administration's cutback were implemented it would amount to a decrease of at least 50 percent in the application of conservation practices on the farm and ranchlands of America. We cannot afford this type of curtailment, in my considered opinion.

It is significant that this administration plan to cut soil conservation funds comes at a time when wind erosion in my State, and in vast stretches of the Great Plains, is worse than at any time in the past 10 years.

This proposal to cut soil conservation funds also comes at a time when the administration is proposing increases in many other fields for social and economic programs of at least doubtful and unproven value.

This cut in soil conservation funds also comes at a time when the administration is sending overseas vast amounts of foreign aid, even involving gifts of wheat to dictator Nasser of the United Arab Republic, a man more given to insult than cooperation.

I submit that the soil and water conservation is of much more crucial importance for the United States than many of the administration's spending programs. It is gratifying that the Congress as a whole has taken that view, also, and restored the $20 million for conservation uses.

There is another place in this comprehensive bill where the wisdom of the Congress has been manifested. It involves the Rural Electrification Administration's loan funds.

The Appropriations Committee has wisely restored $30 million cut by the administration from the new loan authorizations for the electrification program for fiscal year 1966. This was another case of mistaken administration economy efforts.

Mr. President, in my State of Texas the demand for electricity on the farm has increased tremendously within recent years. Much of this demand, for instance, is caused by the increasing use of electrical power for irrigation.

In many areas of rural Texas, particularly in the High Plains area which overlies the Ogallala Formation, receding water tables make it necessary that water be pumped from deeper and deeper depths. This in turn requires more electricity as larger and larger irrigation pumps are installed.

And, in other rural areas of Texas new homes are going up, with electrical appliances that cannot be operated on the old single-phase lines. New, three-phase lines must be installed.

All this costs money. If the rural electrification program is to continue on the farm, we must insure that the loan funds are there to finance it. I fully support retention of these REA loan funds, and I am pleased that the committee concurs in that judgment.

Several other items in this bill are of special importance to Texans. Badly needed funds are provided for construction of a cotton disease laboratory and a pesticides research facility at College Station, Tex.—$3,634,000 is involved here.

And, the committee has approved a very necessary $70,000 increase in funds for a 1-year field survey of screwworm eradication operations in Mexico. This project will determine the extent of screwworm infestations in Mexico and their effect upon the present barrier zone program. The administration did not feel the added funds were needed, but Texans involved can readily testify to the need to continue our efforts to prevent serious reinfestation of the Southwest by screwworms.

One of the other important appropriations made in this bill is the $25,000 for plans and specifications needed to complete construction of modern facilities for soil and water conservation research at the Southwest Great Plains Research Center at Bushland, Tex.

Also, Mr. President, I note that the committee has taken a position on the question of Canadian importation of cattle from nations where foot-and-mouth disease exists.

I concur with the committee recommendation that the U.S. Department of Agriculture withhold approval of the Canadian until this important livestock policy change can be discussed in presentation of the budget for fiscal year 1967 before the appropriate congressional committees.

I feel this is a reasonable position, and I hope USDA will understand the depth of the concern felt by many cattlemen and many Members of Congress. It is likely that adequate safeguards to cattle importation can and will be worked out, but it is a responsiblity of the Congress to assure itself of the adequacy of such safeguards.

Mr. President, I will support this appropriation bill, because it indicates congressional recognition of the vital need for increased agriculture research, for adequate soil and water conservation funds, for needed rural electrification loan funds, and for continued congressional oversight of U.S. agriculture policy.

Mr. President, I add my commendation of the distinguished Senator from Florida.

Mr. HOLLAND. I thank the distinguished Senator from Texas. He has been assiduous in presenting the claims of the cattlemen of his State with re-

spect to the screw-worm infestation. I hope he understands that we are doing the best we can under difficult situations involving many pests and many diseases which have come in from overseas and are imposing themselves upon many agricultural industries. We are trying to treat them all alike.

Mr. TOWER. I thank the Senator from Florida.

Mr. CARLSON. Mr. President, before final action is taken on the appropriation bill, I wish to express my sincere appreciation to the distinguished chairman of the Subcommittee on Agricultural Appropriations [Mr. HOLLAND] and the distinguished Senator from North Dakota [Mr. YOUNG], the ranking minority member of the subcommittee, for the inclusion of an item of $225,000 for plans for a grain research facility that is estimated to cost $3,385,000 and is to be located at Manhattan, Kans.

The distinguished chairman and other members of the subcommittee may recall that on several previous occasions I appeared before the subcommittee to stress the urgent need for this laboratory. At the committee meeting last year, I stated that I would continue to appear before the committee and request this item until it was included. So today I express my sincere thanks for its inclusion.

The continued well-being of our grain, in both domestic and foreign markets, is heavily dependent upon solutions to a range of quality problems and upon our ability to market our products more efficiently.

The desirability of establishing a grain marketing research laboratory originated due to the accumulation of stocks of grain in the United States, high storage costs to the Government, and severe criticisms of quality of U.S. grain being delivered in foreign markets. It was considered that the progress made through research in crop production was not matched by similar efforts to improve our ability to identify and measure quality in grain, improve grading methods and equipment, improve our ability to protect quality in grain during marketing, and to improve the efficiency of transporting, storing, and handling grain as it moves from from farm to market. These shortcomings are considered detrimental to our competing successfully, particularly in the export market.

Several years ago a study group of the Congress made firsthand observations of U.S. agricultural exports to Western Europe. Based on these observations the group stated that the primary reason for our failure to compete more effectively in the European market was a lack of quality, condition, and dependability of U.S. grain exports. It is evident that research is needed to protect and maintain quality in grain during drying, conditioning, storing, milling, and transportation, whether from insect, pathological, or physiological causes, or of a physical nature; development of improved equipment, facilities, and work methods for efficient handling of grain during marketing operations; and adaptation of improved, statistically sound sampling methods and other equipment for identifying and measuring quality in grain as a basis for improving grade standards, grading methods, and sampling and grading equipment. The development of methods and procedures for controlling insects and pathological disorders should avoid the creation of harmful residues.

The time is opportune for emphasizing research of this type as a part of our goal to market high-quality grains, and with maximum efficiency. However, research facilities are not available to facilitate this diversified program of research. The establishment of a modern grain-marketing research laboratory, having specialized laboratories and equipment, is essential where quality and handling research can be conducted in cooperation with the grain industry and other research agencies. Research results would provide a basis for improving official grade standards and grading methods, and provide the industry with reliable methods and procedures for protecting the quality of grain during drying, storage, and transport, and improving the efficiency of its handling and marketing operations.

The logical location for this laboratory is Manhattan, Kans., where considerable milling, baking, and feed processing facilities have been established at Kansas State University through the cooperation of the grain industry. The logic of this location has been recognized by industry groups which have previously appeared before this committee and by representatives of experiment station directors of the North Central States. Furthermore, the university has offered sufficient land for the laboratory at no cost to the Government.

The construction of this National Grain Marketing Laboratory will mean much to the production and marketing of grains to the farmers and processors of agricultural products.

Mr. HOLLAND. Mr. President, I express appreciation to the distinguished Senator from Kansas. He has patiently persisted for a number of years to have this facility provided. However, he did agree to wait until a Department of Agriculture study and feasibility report could be made of the situation.

A number of new stations have been authorized, and a number of stations have been closed this year. We have worked with the close cooperation of the Secretary of Agriculture. In every case in which a new station has been activated this year, the same course has been followed. The need for such a station has been studied, and the feasibility of the station has been reported to us by the Department of Agriculture.

The Senator from Kansas has been unwavering in his perseverance, but he has been patient enough to permit this proposal to be studied seriously and reported upon. That is what should be done in every instance where there is a need for a new laboratory or a new experiment station. I thank the Senator from Kansas for his kindness.

Mr. CARLSON. The Senator from Florida and I have had several discussions regarding this station. I have agreed that the program he suggested be followed. We appreciate it very much.

Mr. BREWSTER. Mr. President, it is with genuine reluctance that I rise to discuss a matter in which I did not participate, because I am not a member of the Committee on Agriculture and Forestry.

For more than a few years, in both Houses of Congress, I have opposed certain of the programs now conducted by the Department of Argiculture.

Representing an Eastern State, principally a consumers' State, a State whose farms are mostly small, it is my opinion that many programs that have been embarked upon are unrealistic and are costly to the consumers of the great cities. The taxpayers should not be charged, year after year, with programs that enable the producer, year after year, to plant, produce, and sell to the taxpayers at a profit.

At the same time I state this general opposition to many of the programs that have been carried on by the Department of Agriculture, I congratulate the Subcommittee on Agricultural Appropriations, which has reported this measure to the Senate. I congratulate them because they have increased the appropriation for the Commodity Credit Corporation above the House bill by some $927 million.

That statement may seem peculiar, coming from one who is always opposed to certain programs. However, what has been done by the committee is, for once, a very sound practice.

I only regret that the increase is not $2,065 million, rather than $927 million. I refer the Senate to page 3 of the committee report. In the second paragraph it is stated that the Commodity Credit Corporation is unreimbursed in the amount of $2,065 million. This is made up of $1,057 million resulting from the inventory reevaluation in 1961; $81 million in 1963 losses; and $927 million in 1964 losses.

Year after year, the Commodity Credit Corporation has underestimated its needs. Year after year Congress is asked to appropriate additional funds in supplemental budgets or appropriation bills to fully reimburse them. I know that over a period of years we have heard different programs presented to Congress. We are told that they will save money.

It seems that year after year the agricultural programs become more expensive. What the committee has done in this case is a realistic approach to the cost of the Department of Agriculture. If the Commodity Credit Corporation is to continue to carry on its present programs, taxpayers have every right to know precisely, in its budget appropriation, what the various programs cost.

I heartily congratulate the chairman and the committee for the realistic fiscal approach to the Commodity Credit Corporation. I hope that in the future the Commodity Credit Corporation will present the Congress with an honest estimate of the amount needed to carry out its programs.

Mr. HOLLAND. Mr. President, I appreciate the kind comments of the Senator from Maryland.

The Senator from Florida is in almost the same position. There were many programs presented to the committee for which the Senator from Florida did not vote and does not approve.

We are trying to live up to the obligations of Congress as imposed by law when we handle this bill. As to the matter mentioned by the distinguished Senator from Maryland, we feel that the reimbursement to the Commodity Credit Corporation for losses is a matter of sound fiscal policy. No cash would be involved in this transaction. However, so long as the item does not show, as the law requires that it be shown, the real scope and size of the operation of the Commodity Credit Corporation is not readily discoverable by the average citizen.

Before the Senator reached the floor, I reported that we had the full cooperation of the Secretary of Agriculture in this matter. He asked the Bureau of the Budget, following the suggestion of our subcommittee, for a supplemental budget amendment that would fully repair and restore the capital of the Commodity Credit Corporation.

That item was turned down by the Budget Bureau. Under the operation which we propose, the item which we have added to the bill, almost $1 billion, would be full reimbursement for fiscal 1964, with a little larger amount than that left to cover the deficiencies for 1961 and 1963, which the Senator has mentioned. We have asked that that amount appear in the next budget. I hope that it may. It is similar to sweeping something under the rug when we omit an item which does not involve any cash transaction, thus indicating that the size of the operation of the Commodity Credit Corporation and the success of that operation was not exactly what it is shown to be by the record.

I believe that this would be merely a matter of sound bookkeeping and good accountancy. The Secretary of Agriculture agrees with us. He has so recommended to the Bureau of the Budget. Perhaps we shall get the matter straightened out within a year and keep the Commodity Credit Corporation account on a current basis. I hope that we do. When I say current, I mean up to the previous year. The accounts have been closed in fiscal year 1965. We are now talking about fiscal year 1964, and prior years.

I thank the Senator for his courtesy.

Mr. MILLER. Mr. President, on February 8 of this year, at pages 2223 to 2226, I made a statement on the subject of the farmer's share of the national net income. In the course of that statement, I pointed out the plight of the Commodity Credit Corporation.

Mr. President, I ask unanimous consent that a portion of my statement appear at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PLIGHT OF COMMODITY CREDIT CORPORATION

Too few of our farmers are familiar with what has been happening to the Commodity Credit Corporation. Due to the negligence of the Congress over $8 billion of its capital has been lost without being restored. It was this negligence which brought about the urgent deficiency appropriation of $1.6 billion which was recently rushed through the Congress. The table set forth below shows the seriousness of the situation.

Mr. President, I ask unanimous consent that the table prepared by me may be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

"Total capital in use (out of $14,500,000,000 authorized) as Dec. 31, 1964	$14, 180, 600, 000
Amount thereof "lost" as of June 30, 1964	—8, 166, 134, 000
Total	6, 014, 466, 000
Add fiscal 1965 appropriation to partially restore "lost" capital	1, 574, 000, 000
Available capial funds	[1] 7, 588, 466, 000
Already committed to crop loans and inventory as of Dec. 31, 1964	[2] 7, 413, 322, 889
Available for additional crop loans	175, 143, 111

[1] Compare this to commitments to loans and inventories of $8,192,620,000 on Feb. 1, 1964, and $8,465,384,000 on Feb. 1, 1963.

[2] See the following table:

Already committed	$7, 413, 322, 889
Estimated losses from liquidations	—1, 015, 000, 000
Available after liquidation	6, 398, 322, 889
Available, as above, for additional loans and inventory	175, 143, 111
Deficiency appropriation to restore capital	1, 600, 000, 000
Additional borrowing authorized for capital	319, 400, 000
Total available for CCC programs	8, 592, 866, 000"

Mr. MILLER. Mr. President, the $8,166,134,000 "lost" represents losses by Commodity Credit Corporation through price support programs, with inventories being disposed of at less than cost, largely through the food-for-peace program. Of this total, $1,574 million was restored by the fiscal 1965 appropriation and $1,600 million has now been restored by the recent fiscal 1965 deficiency appropriation, leaving a total of almost $5 billion which Congress has neglected to restore. Of course this may help to make the spending budget appear lower, but the day of reckoning eventually arrives—as it did with the $1.6 billion deficiency appropriation and as it will with future deficiency appropriations.

Mr. MILLER. Mr. President, I point out also that in the budget, the main document for this year, the statement appears on page 155 that the realized losses reflected in the report of the Commodity Credit Corporation, and its report is as of June 30, 1964, are $3,226.8 million. However, it is estimated that an appropriation of $2,300 million would provide sufficient funds for the operations described and for the prior years' commitment of committee authorizations. As a result, the budget was really understated by $926,800,000.

Senators will remember the point that was made early this year, to the effect that the President's budget would be under $100 billion.

The only reason that it was under $100 billion was the gross understatement by $926,800,000 of the amount needed properly to reimburse the Commodity Credit Corporation.

I very much appreciate the forthrightness of the Committee on Appropriations, and particularly that of the distinguished Senator from Florida [Mr. HOLLAND] who has handled that appropriation, for facing up to the need of reimbursing the Commodity Credit Corporation for its losses which have in fact occurred for the year 1964, instead of sloughing it off, as the budget document did, or even to grossly understate or underappropriate the amount required.

I commend the committee for ignoring the administration proposal, which would have caused great hardship on many farmers. The proposal referred to appears on page 15 of the committee report. It would establish a revolving fund with respect to soil conservation service matters and require that a part of the cost for technical assistance now generally made by the agency would be charged to the farmer.

In my State, literally thousands of farmers have for a long time been participating in the Soil Conservation Service activities.

I do not need to point out that the farmer, among all the segments of our economy, has not shared in our national net income increases or in our national growth.

This would be, of all times, a most inappropriate time to increase the farmer's cost of production. The committee ignored this request, and it increased the amount of the appropriation for Soil Conservation Service activities.

I commend the committee for doing so. I also point out what I regret to say is, in my judgment, still a defect in the Agricultural Department appropriations.

We are appropriating literally billions of dollars to try to do something about a surplus situation in some of our crops. Yet, when we look at our agricultural research activities, we find that a great portion of our research is conducted with a view to increasing production, not increasing consumption, and particularly in the area of industrial uses of agricultural commodities.

I have a breakdown from the Department of Agriculture of the way research funds were spent in 1965, and the way they were proposed to be spent in 1966.

I ask unanimous consent that the breakdown be placed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE

Funds available for research programs of the Department, by production, consumption, and marketing, fiscal years 1965 and 1966 (budget estimates) [1]

[In thousands of dollars]

	Fiscal year 1965 [2]	Fiscal year 1966 budget estimate
Production research:		
Agricultural Research Service: Farm research	$86,541.6	$87,928.5
Economic Research Service: Farm economics research	4,568.0	4,722.0
Forest Service: Forest production research	21,432.0	21,570.0
Total, production research	112,541.6	114,220.5
Consumption research:		
Human and animal:		
Agricultural Research Service: Portion of utilization research and development, human nutrition research, and portion of consumer and food economics research	18,538.3	17,725.9
Industrial:		
Agricultural Research Service: Portion of utilization research and development, portion of consumer and food economics research, and clothing and housing research	16,402.9	15,677.1
Forest Service: Forest utilization research	5,810.0	6,299.0
Total, consumption research	40,751.2	39,702.0
Marketing research:		
Industrial:		
Agricultural Research Service: Portion of marketing research	1,193.9	1,280.7
Marketing research—Continued		
Industrial:		
Economic Research Service: Portion of marketing economics research and portion of domestic and foreign analysis [3]	$2,734.0	$2,768.0
Farmer Cooperative Service: Portion of research for farmer cooperatives	100.0	110.0
Total, industrial	4,027.9	4,158.7
Other:		
Agricultural Research Service: Portion of marketing research	6,448.3	6,493.8
Economic Research Service: Portion of marketing economics research and portion of domestic and foreign analysis	3,620.0	3,876.0
Statistical Reporting Service: Crop and livestock estimates and statistical research	575.2	575.2
Farmer Cooperative Service: Portion of research for farmer cooperatives	760.6	826.1
Forest Service: Forest survey and forest products marketing research	3,042.0	3,367.0
Total, other	14,446.1	15,138.1
Total, marketing research	18,474.0	19,296.8
Grand total	171,766.8	173,219.3

[1] Excludes the following programs:

	1965	1966 budget estimate
Office of the Secretary	$250,000	$250,000
National Agricultural Library	1,319,200	1,492,000
Total	1,569,200	1,742,000

[2] Includes transfers from sec. 32 funds. Also includes estimated amounts for increased pay costs authorized under the Federal Employees Salary Act of 1964 (Public Law 88-426).

[3] Includes functional research not related to commodities.

Mr. MILLER. I point out to the distinguished Senator from Florida that for 1966—and I believe these figures are substantially in line with the recommendation by the committee—a total of $173,219,000 would be proposed for all types of agricultural research activities. Of this amount, $114,220,000 relates to the production side of agriculture; $19,296,000 relates to the marketing side; $39,702,000 relates to the consumption side—more in the nature of food consumption. That leaves just $15,677,000, far less than 10 percent of the total amount, for research in connection with industrial uses of agricultural commodities.

I ask the Senator from Florida whether he and his subcommittee would give special attention in the coming year to trying either to increase the appropriation for research, with the increase going to industrial use research, or, somehow or other, evolve a better balance in our agricultural research activities.

I point out to the Senator that earlier this year, during the hearings held by the Joint Economic Committee, when the Director of the Budget was before our committee, I invited his attention to a statement appearing at page 89 of the budget. It is a brief statement and reads as follows:

> But in view of the market outlook for farm commodities at home and abroad, farming alone cannot be expected to provide a decent living in the future for more than about 1 million farm families even with continued Government assistance.

I asked him whether or not that statement might have to be modified if we increased our industrial research activities with respect to agricultural commodities so that, in fact, the consumption side of agriculture would be increased, and whether or not we might be able to support in decent circumstances far more than 1 million farm families. He said there was a possibility.

With that picture in mind, while I would value the comments of the Senator from Florida, I should like to have his assurance that this type of research by our Department of Agriculture will be particularly scrutinized and evaluated, because it seems to me that while foreign exports, disaster relief, Public Law 480, and other tools we are now using to dispose of agricultural commodities are very useful, and perhaps have a somewhat bright future, we have not yet tapped into the full extent of our ability for the use of agricultural commodities for various types of industry.

I would appreciate that assurance from the Senator, if he would care to comment, because I believe he is just as concerned as is the Senator from Iowa, coming as he does from a fine agricultural State, about the potential for industrial uses of agricultural commodities.

Mr. HOLLAND. Mr. President, in the first place, I invite the Senator's attention to page 737 of the hearing record, where the Senator may have overlooked a part of the appropriation, which relates to the very objective with which the Senator is concerned. He will find under the heading "Utilization research and development," the amount of $29,261,700.

Further down in the table, under the heading "Nutrition and consumer use research," the amount of $4,141,300.

Under the heading "Marketing research" he will find an amount of $7,774,500.

Utilization research is the kind of research the Senator is concerned about. For example, in the utilization laboratory located near the home of the Senator from Florida there was discovered the process of concentration of citrus fruits which was used during the war. That process was, of course, improved by the experimentation paid for by the State of Florida to make the product more edible. That is only one instance of many, many items of research which have been utilized.

I agree with the Senator from Iowa that the matter of greater utilization of agricultural commodities is important. There is a great deal of work going on in this area now. The facilities for utilization research are being greatly enlarged under the committee recommendations of 2 years ago, and new facilities will soon be completed. The total amount for research utilization for all purposes, which includes research for industrial uses, is substantial. For example, there is research in industrial use of tung oil. There is some research for human use,

as the research for foods. There are various types of research which have to do with greater utilization of the several commodities.

However, various commodity groups in the Nation have been doing a fine job in that field. For example, in my own State, about which I happen to know best, the citrus advertising tax, which is the largest of such funds in the world for advertising any one commodity, was raised by a State tax imposed on every box of fruit harvested in our State. A portion of that tax is earmarked for the very type of research about which the Senator from Iowa is concerned, and has resulted in the development of pectins from orange seeds and rinds and various other developments which I could mention.

So I am in complete accord that the field of research is one of great importance. Perhaps we have not emphasized it sufficiently. I would be glad to have the Senator appear at any of our hearings to give us any specific suggestions, but the field of utilization research has as a part of it research for industrial uses, because it is an important part of our research program.

Mr. MILLER. I thank the Senator for his comments. The Senator from Iowa is fully aware of the statistics to which the Senator from Florida has referred on page 737 of the hearings.

I have in my hand a document, which I asked to have printed in the RECORD earlier, which does a little more refined job of breaking down what goes into the various areas of agricultural research.

I emphasize that the utilization research item contains the sum of only $15 million dedicated to finding new industrial uses for agricultural commodities. I have no particular objection to having utilization research go into such areas as uses for new and special plants, poultry, dairy, and animal products. Most of this relates to consumption food items or marketing. What I am concerned about is use for industrial purposes of agricultural commodities.

I suggest that with only $15 million out of the entire budget going in this direction, I do not believe there is a proper balance of agricultural research activities. It seems to me that we might be thinking more in terms of a balance of 50–50—50 percent of agricultural research on the production side and 50 percent on the consumption side, to include marketing and other activities within that 50 percent. I believe that there is room for far more than $15 million for industrial uses. However, on several occasions I have recommended a crash program to find more industrial uses for agricultural products. I believe that it is worth a trial. I am not a scientists, and have no specific suggestions to make, but I suggest that those in private industry, as well as those in research activities of the Department of Agriculture, could provide a fruitful source of recommendations to the subcommittee.

Possibly the subcommittee could exchange correspondence with various persons in private industry to ascertain to what extent the appropriation might be increased next year, in order to make maximum use of the opportunities for research, and particularly at a time when we are concerned about surplus problems in some of the areas of agricultural production.

Mr. HOLLAND. I believe that the Senator is on sound ground. Let me say to him that the committee has invited witnesses from private industry, from the farm groups, from every connecting group that I can think of—they have come before the committee from the Farm Bureau, from the National Grange, from the Farmers Union, from various processing groups, packinghouse groups, fertilizer groups, insecticide groups, and those who use oils of various kinds.

The Senator will notice that in the group of projects listed under utilization research there are at least two items that fall directly within what the Senator is concerned about.

One is cotton, wool, and other fibers, $5,862,000—and the other is oil, $3,158,000.

There are other categories like tung oil, which has to do with the development of other uses for tung oil for different paints, and insulating uses, which I shall not mention in detail at this time. I fully approve of that kind of experimentation. The committee will welcome any advice and suggestions it can get. We have invited the appearance and participation of every group we know which might produce useful information of that kind. If the Senator knows of any other group, I would consider it a privilege if he would pass that information along to me, and any suggestions as to other groups which might have appeared before, because we know that this is a field which requires attention. I am grateful for the comments of the Senator from Iowa.

Mr. MILLER. Possibly the Senator's subcommittee could, during the interim between now and the next time the appropriation is considered, carry on an independent research of its own, with a view to getting set for next year. I do not believe that it warrants a resolution or anything like that, but I believe that the plan is worth trying.

I would feel very much more comfortable if, a year from now, the Senator from Florida, at this same time and place, regarding this same appropriation, could say that the subcommittee had thoroughly gone into the prospect for expanded research activities for industrial uses. At present, I have the uneasy feeling—which I know is shared by others—that we have not explored the situation as much as we could, or as much as we should. I am not suggesting that we should concentrate on areas of research where there are no surplus commodities. I am thinking particularly in terms of what is causing a great national problem, involving wheat and feed grains to some extent. There are others. We are spending billions of dollars to handle a surplus problem with respect to some crops and are, frankly, spending only a few cents, comparatively speaking, to try to find new outlets for industrial uses for such items.

Mr. HOLLAND. I appreciate the comments of the Senator from Iowa. I invite his attention to the fact that under the appropriations of last year and the year before, we provided for a great increase in facilities in the Peoria Laboratory, which serves his part of the Nation. One of the important new structures there has to do directly with the program of utilization. We shall welcome any suggestions which the Senator can make and appreciate his comments very much.

Mr. MILLER. I thank the Senator from Florida.

Mr. ALLOTT. Mr. President——

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLOTT. Mr. President, I have listened with interest to the remarks of the Senator from Iowa. Having sat in on the markup of the bill as a member of the committee, it came to me forcibly how great is the complexity if the bill and the complexity of the research items alone, all of which deserve a great deal of study.

The Senator from Florida and the Senator from North Dakota [Mr. YOUNG], in my opinion, have performed a valuable task in bringing the bill to the floor of the Senate. Those of us on the committee are well aware of the many complex problems involved in the bill. I have always found the Senator from Florida and the Senator from North Dakota willing to go to any extent to hear the thoughts and receive the suggestions of Senators. Having something to do with this problem, I did not wish the occasion to pass without expressing, on behalf of myself and Senators from other farm States, the deep appreciation of all of us to the distinguished chairman of the subcommittee and the distinguished ranking minority member for the time and attention they have given to all of us who have brought our problems before the subcommittee. It is not, of course, the biggest subcommittee, in the Appropriations Committee, in terms of dollars, but the complexity of the problems within problems is not surpassed anywhere in the appropriation bill. No one could have done a finer job on it than the two Senators who have carried the burden of preparing the bill.

Mr. HOLLAND. All members of the subcommittee, including the distinguished ranking minority member, the Senator from North Dakota [Mr. YOUNG], and myself, express our deep appreciation to the Senator from Colorado.

Mr. COOPER. Mr. President——

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. COOPER. I join my colleagues in expressing our appreciation to the Subcommittee on Agricultural Appropriations——

Mr. HOLLAND. On behalf of myself and all other members of the subcommittee, we thank the Senator.

Mr. COOPER. We thank the subcommittee for its knowledgeable and constructive consideration of this bill, which deals with every agricultural program so important to the agricultural economy of the country.

I pay special tribute to the chairman, the distinguished Senator from Florida [Mr. HOLLAND], and also to our colleague

on this side of the aisle, the Senator from North Dakota [Mr. YOUNG]. I know they work very closely together in their consideration and preparation of the bill.

Many of the items in the bill are of great interest to Kentucky and the farm families and rural communities of my State. I shall not try to discuss each major farm program financed for fiscal 1966 by the bill, which as I have said is very broad in scope, and directly affects every farmer in my State and, indeed, throughout the country.

I note that the committee has maintained the increase of $575,000 for health-related tobacco research. I remember that last year the Senator from Florida heard our proposals and recommended an increase in the appropriation for tobacco research. Considering the fact that recently we have been dealing with bills concerned with the health problems related to tobacco, the action of the committee in approving this further increase is particularly timely. I understand that the appropriation will be allocated to several research centers, including, of course, the National Tobacco Research Laboratory at Lexington, Ky.

Mr. HOLLAND. We thank the Senator for his very kind expressions. The Senator is correct. A continuing effort of Congress through this program will be given to research in the field of health in tobacco, which we enlarged last year as one of the major needs in the field of research in agriculture. We expect to continue it, because we feel that a great industry is entitled to its continuance, and the American people are entitled to it, also.

Mr. COOPER. The farmers in Kentucky appreciate very much the understanding of the Senator from Florida.

Early this year I received hundreds of letters from farmers, soil conservation district supervisors, county banks, and others in Kentucky who were concerned about the proposed change in the Soil Conservation Service program. The Bureau of the Budget had recommended a reduction of $20 million in SCS operating funds. It was proposed that a revolving fund be created, to be supported by a user charge against the farmers who were carrying out the recommended conservation practices on their farms.

As I understood the proposal—and I remember that I discussed it at that time with the distinguished Senator from Florida and other members of the Appropriations Subcommittee, and also with other Senators on the Committee on Agriculture and Forestry on which I serve—it was thought that to change the program in this way would require legislative action.

Mr. HOLLAND. The Senator is correct. That legislative action has not been taken. Therefore the committee stood by its own standards, both as to the amount appropriated and as to our refusal to participate in setting up any revolving fund, so-called, which was not authorized by law.

Mr. COOPER. I know the support of the committee, the Senate, and the Congress will be of great satisfaction to our farmers in Kentucky, who are very much interested in the soil conservation program.

Mr. HOLLAND. I believe a general interest has been shown throughout the country in this subject. It did not seem to the committee that this was the proper time, when the agriculture economy is lagging behind the rest of the economy of the Nation, to impose additional charges on the farmers with respect to a matter which relates to the conservation of our national and natural assets.

Mr. COOPER. The Senator knows that the Extension Service is the oldest farm program in the Department of Agriculture. The committee has maintained the budget request for cooperative agricultural extension work. In fact, I am glad to note it has raised the budget request by some $3 million, directing that the increased funds be used to make salary adjustments for extension workers—county agents, and home demonstration agents.

Mr. HOLLAND. Yes. The committee has had that pleasant duty for the last few years, since the Federal salary increases were voted. Neither the Bureau of the Budget nor the House of Representatives has seen fit to provide the Federal share of these increases. Our committee has regularly done so, and it has done so again this year.

Mr. COOPER. I remember that this has been the practice of the committee. I am happy, because I am sure the Senator will agree with me that there is no more deserving group of public servants in our country than the county agents and home demonstration agents.

Mr. HOLLAND. They are serving directly in the education of the public, of farmers and rural people who most need every help that they can get to produce better and to conserve better. I believe it is one of the finest services we have.

Mr. COOPER. I note also that the agricultural conservation program has been maintained at the level of the past. The program is closely related to the Soil Conservation Service work I mentioned earlier, for the ACP helps the farmer carry out the conservation practices recommended as part of his overall farm plan, which is developed through the assistance of SCS technicians and within the goals of the countywide program of the local soil conservation district. While payments are modest, it is one of the most helpful and valuable programs we have, especially for smaller farms. It assists also in the development of small watershed projects. Yet every recent year it has become the duty of the Congress to restore funds for the program, and I remember times when it has been a battle to maintain the full program.

Mr. HOLLAND. Yes. That seems to be a pleasant little game between the Bureau of the Budget and Congress. The Bureau of the Budget always wants us to reverse ourselves. We believe that the ACP program has been useful. We see no reason to diminish its service to the country.

Mr. COOPER. I appreciate also the fact that the Senator was willing to accept the amendment which will provide funds for special assistance to the school lunch program. It will be particularly helpful in Kentucky, as I stated in my presentation to the Committee.

Mr. HOLLAND. The Senator from North Dakato [Mr. YOUNG] and I have agreed to take that item to conference. There was real difficulty on this subject in committee for various reasons, which I have already set forth in the RECORD. We have agreed to take it to conference. Perhaps we can work out some sound beginning with the confcrees from the other body.

Mr. COOPER. I hope so. This subject was rather fully discussed in the Committee on Agriculture and Forestry on several occasions, and 3 years ago we approved an amendment to the National School Lunch Act authorizing the special assistance under section 11. I believe there is a problem here, particularly in the poorer counties, having larger numbers of pupils who cannot meet their proportionate part of the cost of the regular school lunches. It means in many instances that these students who need lunches the most may not be able to obtain them, and may even stay away from school. I know the Senator is well acquainted with the problem and that it will be discussed in conference; I hope the Senate amendment will be accepted by the House.

I am glad also that the Committee reversed the budget cut in the school milk program, recognizing that it is expanding. Without this action I understand schoolchildren in Kentucky and elsewhere would have to pay another cent for each half pint of milk next year.

I shall not take more time. Of course I support this year, as I have every year, the loan funds provided for the Rural Electrification Agency and for the Farmers Home Administration, and the operation of the Farm Credit Administration which supervises the local PCA's. I have seen the REA bring light, power and new life to broad areas of rural Kentucky, and its outstanding leadership in my State continues to meet the most pressing challenges of our time, both at home and abroad, as I noted in the Senate a few days ago. Among the Farmers Home Administration programs, I am glad that the Senate bill includes funds for the rural housing grant program, which I had been in touch with the committee about and which has been so helpful in Eastern Kentucky. I am very hopeful that the House of Representatives may now agree to continuation of the program.

I commend the Senator from Florida [Mr. HOLLAND] for his leadership as chairman of the subcommittee responsible for this important work supporting all the farm programs. I know he will not mind if I pay my tribute also to our colleague the Senator from North Dakota [Mr. YOUNG] who works with him as the ranking Republican member of the subcommittee. Year after year, Senator MILTON YOUNG has been a wonderful and faithful friend of the farmer—not only in North Dakota but throughout the Nation.

Mr. HOLLAND. I would be very much hurt if the Senator did not pay tribute to the Senator from North Dakota. The

Senator from Florida has done so repeatedly during the course of the debate.

Mr. CARLSON. Mr. President, on behalf of the junior Senator from Kansas [Mr. PEARSON], who is absent on official business, I ask unanimous consent to have printed in the RECORD at this point a statement prepared by him dealing with the planned grain marketing research facility at Kansas State University, Manhattan, Kans.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PEARSON

I wish to associate myself with the specific recommendation in the agriculture appropriations bill calling for an appropriation of $225,000 to plan a grain marketing research facility at Kansas State University, Manhattan, Kans.

Because of the industry of the American farmer, the advancements in technology, and the emphasis of Government farm policies, our capacity to produce grain has exceeded our ability to market these crops. The accumulation of stocks of grain has become a major farm problem.

As the European Common Market becomes stronger, competition for grain markets will be keener. I believe the handwriting is on the wall in respect to future prospects for U.S. wheat sales. Ten years ago we furnished the Common Market countries 32 percent of their wheat requirements—but within the last 18 months, this figure has dropped to 20 percent. We are not competing to the extent that our ability and technology permit on a price and quality basis. To improve our competitive position, we must place more emphasis on quality than we have in the past.

Quality is not the only field of possible improvement in order to make grain grown in the United States more competitive in foreign markets. Our grain must be competitive in price. Much research has been done, and rightly so, to increase yields and to cut production costs. But we must also strive to reduce the cost of marketing grain while we strive to improve the quality. We can improve the design of facilities for storage, the drying and handling of grain and the more efficient work methods all of which would add to our ability to compete in foreign markets.

Marketing research has lagged behind production research, and this gap in research efforts is inconsistent with our efforts to solve some of the problems of American agriculture.

The first step to correct this deficiency would be the establishment of a modern grain marketing research center such as has been recommended for addition in the Department of Agriculture budget for 1966.

I concur in the addition of this item and only wish to add that the need is urgent and that any further delay in such grain research will produce greater expense and even more difficult problems in the years ahead.

APPROPRIATIONS FOR 1966 AGRICULTURE CONSERVATION PROGRAM—STATEMENT BY SENATOR HARRIS

Mr. MONTOYA. Mr. President, Senator HARRIS would like to commend the Senate Committee on Appropriations for its action on the agricultural appropriations bill and is very happy that the committee has raised the appropriation for the water pollution laboratory at Durant, Okla., by $50,000 over the amount contained in the agricultural appropriations bill as passed by the House. This increase of $50,000 now raises the appropriation for the Durant water pollution laboratory to a total of $500,000.

Senator HARRIS has asked me in his absence to submit for the RECORD his statement before the Agriculture Appropriations Subcommittee of the Senate Appropriations Committee on behalf of the Durant water pollution laboratory and the appropriations for the 1966 agriculture conservation program. Senator HARRIS is also happy to note that the committee has concurred in the restoration of the full $250 million program announcement for the agriculture conservation program as recommended by the House Appropriations Committee.

Without objection I would like to submit Senator HARRIS' statement at this time to be included in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FRED R. HARRIS BEFORE THE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE OF THE SENATE COMMITTEE ON APPROPRIATIONS

Mr. Chairman, it is a pleasure to be here before the committee this morning in support of the appropriation of $450,000 for construction of a water pollution laboratory at Durant, Okla.

The proposed appropriation would provide funds for construction of the laboratory for research to develop procedures and methods that will avoid water-pollution problems resulting from the use of pesticides and agricultural chemicals. In the past few years a great deal of public interest has been created about the effects of the use of agricultural chemicals upon the quality of water flowing in our streams from agricultural lands. A laboratory is needed for research into this problem in order to protect our country's water supply and to prevent and curb any possible health hazards resulting from the use of agricultural chemicals. At the present time the Department of Agriculture does not have any facility for effective research in this area.

The proposed laboratory would be located in southeastern Oklahoma near Southeastern State College at Durant. This is an agricultural area in the Red River Valley where large acreages of coton are grown and appreciable amounts of pesticides and other agricultural chemicals are used. The location is ideally suited for the study of these chemicals on water pollution. In addition to cooperating with Southeastern State College, the proposed laboratory would work in close cooperation with the Robert S. Kerr Water Pollution Control Laboratory recently constructed by the Department of Health, Education, and Welfare at Ada.

This laboratory is located in Oklahoma's Third Congressional District represented by the distinguished majority leader of the House of Representatives, CARL ALBERT. Congressman ALBERT is vitally interested in the construction of this laboratory, and I know he will appreciate all the consideration which this committee may give this request.

Also, Mr. Chairman, I was happy to see that the House Committee on Appropriations recognized the serious threat to the future of the soil and water conservation programs of this country through the Budget proposal to reduce the agricultural conservation program by $100 million for the next year.

The committee has recommended the restoration of the full $250 million program announcement for the 1966 ACP program. This program which is an integral part of our soil and water conservation program is of vital importance to insure the productivity of our precious soil to future generations of Americans. There is no resource known to man which is more indispensable than the soil from which we produce the food and fiber for our ever-expanding population. I therefore feel that we have an obligation to conserve the vital resource to the utmost of our ability. The House Appropriations Committee has recognized this need, and I concur with their recommended appropriation, and I would urge this committee to do the same.

I appreciate the opportunity to appear before your committee today, and I would like to thank you for your consideration of my requests.

Thank you.

Mr. METCALF. Mr. President, I would like to draw your attention to the ever increasing amount of REA telephone loan applications on hand at the end of fiscal years 1962 through 1965.

At the end of fiscal year 1962 there were $56.4 million applications on hand; for the end of fiscal year 1963 this increased to $58.3 million, and for the end of fiscal year 1964 the figure was up to $84.7 million.

Now for the end of this past fiscal year, REA shows a figure of $126.2 million in applications on hand but not acted on.

These figures clearly indicate that the needs of the telephone systems supplying telephone service to our farm areas have outstripped the funds appropriated for the program.

I especially draw your attention to the fact that the $97 million called for in H.R. 8370 does not even match the amount of applications on hand at the beginning of fiscal 1966, much less the new applications for fiscal 1966 which are anticipated at about $100 million.

I regret that the Appropriations Committee has provided that $15 million of the rural telephone loan funds shall be held in a contingency reserve and urge that this provision be taken out in conference with the House.

Mr. McGOVERN. Mr. President, I would like to call attention to the accomplishments of the REA telephone program. When bills were introduced in Congress in 1949 to amend the Rural Electrification Act so Federal loans and technical assistance could be used to improve and extend telephone service in rural areas, Claud R. Wickard, who was then Administrator of the REA, testified before a Senate committee:

With the possible exception of electric power, it is hard to conceive of anything that means more to the health, happiness, and economic well-being of farm people than good telephone service.

Sixteen years later, this statement still stands true. Looking at it from every angle, no group of people needs telephone service as much as farmers. Their alternative to making a telephone call is several miles of travel—not just going a few blocks within town. Because of distance, their emergency needs for phone service are especially urgent.

REA telephone borrowers have done a remarkable job in bringing telephone service to our farm areas. According to 1950 U.S. Census, only 38.2 percent of the farms in the United States had telephone service of some kind and a considerable portion of this service was inadequate and of low quality. Today, on a national average, just under 79 percent of the farms in the United States are receiving telephone service.

Of the many programs that the Congress has undertaken to improve the lot of the American farmer, the REA telephone program must be considered one of the most important.

The Appropriations Committee has called for a telephone loan program authorization of $97 million for 1966, the budget request. However, the committee has reserved $15 million in a contingency fund. For a program that is expected to receive $100 million in new applications in 1966 and has already on hand at the beginning of fiscal year 1966 a backlog of applications totaling $126 million, a contingency provision seems quite unnecessary. I say this, especially in view of the difficulty we recently encountered with the Budget Bureau in getting such contingency funds released for the REA and telephone programs. Since it involves no additional appropriations, I hope the managers of the bill before us will, in conference, at least accept the House provision for a $7 million contingency reserve, instead of $15 million.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Oklahoma [Mr. HARRIS], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Oklahoma [Mr. MONRONEY] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from North Carolina [Mr. JORDAN], the Senator from Ohio [Mr. LAUSCHE], the Senator from Utah [Mr. MOSS] and the Senator from Alabama [Mr. SPARKMAN], are necessarily absent.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Oklahoma [Mr. HARRIS], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS] and the Senator from Rhode Island [Mr. PASTORE] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. PEARSON] is absent on official business and, if present and voting, would vote "yea."

The Senator from Wyoming [Mr. SIMPSON] is necessarily absent, and if present and voting, would vote "yea."

The result was announced—yeas 86, nays 2, as follows:

[No. 182 Leg.]

YEAS—86

Aiken	Cotton	Hickenlooper
Allott	Curtis	Hill
Anderson	Dirksen	Holland
Bartlett	Dominick	Hruska
Bass	Douglas	Inouye
Bayh	Eastland	Jackson
Bennett	Ellender	Javits
Bible	Ervin	Jordan, Idaho
Boggs	Fannin	Kennedy, Mass.
Burdick	Fong	Kennedy, N.Y.
Byrd, W. Va.	Fulbright	Kuchel
Cannon	Gore	Long, Mo.
Carlson	Gruening	Long, La.
Case	Hart	Magnuson
Clark	Hartke	Mansfield
Cooper	Hayden	McCarthy
McClellan	Muskie	Smith
McGee	Nelson	Stennis
McGovern	Neuberger	Symington
McIntyre	Pell	Talmadge
McNamara	Prouty	Thurmond
Metcalf	Proxmire	Tower
Miller	Randolph	Tydings
Mondale	Robertson	Williams, N.J.
Montoya	Russell, Ga.	Williams, Del.
Morse	Russell, S.C.	Yarborough
Morton	Saltonstall	Young, N. Dak.
Mundt	Scott	Young, Ohio
Murphy	Smathers	

NAYS—2

Brewster	Ribicoff

NOT VOTING—12

Byrd, Va.	Jordan, N.C.	Pastore
Church	Lausche	Pearson
Dodd	Monroney	Simpson
Harris	Moss	Sparkman

So the bill (H.R. 8370) was passed.

Mr. HOLLAND. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. HARTKE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLAND. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. MONDALE in the chair) appointed Mr. HOLLAND, Mr. RUSSELL of Georgia, Mr. HAYDEN, Mr. ELLENDER, Mr. YOUNG of North Dakota, and Mr. MUNDT conferees on the part of the Senate.

SAFETY REGULATION OF COMMON CARRIERS BY PIPELINE

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 5041, to amend title 18, chapter 39, United States Code.

The PRESIDING OFFICER (Mr. MONDALE in the chair) laid before the Senate the bill (H.R. 5041) to provide for safety regulation of common carriers by pipeline under the jurisdiction of the Interstate Commerce Commission, and for other purposes, which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at this point in the RECORD certain segments from the report on Senate bill 1021 and other legislative considerations in support of the measure.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SUMMARY OF PROPOSED LEGISLATION

This bill would amend section 831 of title 18 of the United States Code to give the Interstate Commerce Commission specific statutory authority and responsibility for the safety regulation of all pipelines (other than those used for the transmission of water and gas) operating in interstate commerce.

NEED FOR LEGISLATION

In the Department of Commerce's "Report on Movement of Dangerous Cargoes," dated September 30, 1963, it was pointed out that "no Federal agency now has authority for safety regulation of pipelines" (p. 3, par. 3). This report followed an interagency study coordinated by the Office of the Under Secretary of Commerce for Transportation. The 22 Federal agencies involved in the study approved the following recommendation: "The Interstate Commerce Commission should be given specific authority and responsibility for the safety regulation of all pipelines operating in interstate and/or foreign commerce (other than water pipelines and gas pipelines)."

Prior to the enactment of Public Law 86-710 on September 6, 1960, the definition of "carrier" in the Transportation of Explosives Act included oil pipelines. When that act was amended in 1960, primarily to extend the Commission's safety jurisdiction over private carriers, the definition of "carrier" was revised to exclude oil pipelines. The testimony of witnesses for the Department of Commerce, the Interstate Commerce Commission, and the oil pipeline industry indicated that they know of no reason for this exclusion and believed that it had been done inadvertently.

At the hearing held on this bill on June 3, 1965, the Chairman of the Interstate Commerce Commission noted that the accident experience of oil pipelines does not disclose any pressing need for Federal safety regulation, but that the proposed legislation does seem desirable because it will protect interstate pipeline carriers against the threat of conflicting safety legislation by the States. The Chairman also pointed out that this proposed legislation would enable the Commission to cope with any safety hazards which may arise in the future by virtue of changes in the operations or traffic content of pipelines.

The Deputy Under Secretary for Transportation, Department of Commerce, recommended enactment of this bill as another step toward the completion of a rational, unified transportation policy. He stated that he know of no opposition to the bill, and that the Department of Commerce was pleased to note the apparent unanimity of concern in the uniform regulation of carrier safety by the Federal Government.

The general counsel of the Association of Oil Pipe Lines testified that the safety record of oil pipelines has been, and continues to be, outstanding. He held that if there is to be safety regulation of the industry by a governmental body, then Federal regulation would be appropriate to the interstate nature of oil pipelines and would produce a uniformity and consistency of safety standards that would be in the public interest. He further testified that the lack of Federal safety regulation has given rise to an increasing tendency to have safety regulation at the State, county, and parish level with the possibility of conflicts or inconsistencies between such local regulations.

Testimony was also received by the committee from the Board of Commissioners, Chester County, Pa., and the Southeastern Pennsylvania Landowners Association. These witnesses expressed concern that the bill would preempt the field of pipeline safety. The committee does not intend that this bill preempt the field, any more than Commission safety regulation has preempted the field in the safety regulation of railroads or motor carriers. The committee does intend that the safety regulations of the Commission under the proposed legislation supersede any conflicting legislation by the States or at the local level in order to avoid a multiplicity of conflicting regulations.

PURPOSE OF THE BILL

This legislation restores to the Commission safety jurisdiction over oil pipelines as it existed prior to the 1960 amendments. Title 18, chapter 39, of the United States Code governs the transportation of explosives and other dangerous articles. Section

834 of that chapter directs the Interstate Commerce Commission to formulate regulations for the safe transportation by carriers of such dangerous articles. As a result of the 1960 amendments, section 831 defines "carrier" to expressly exclude pipelines. This proposed legislation would amend section 831 to redefine "carrier" to specifically include oil pipelines. While the deletion of the express exclusion alone would, in the committee's opinion, make pipelines subject to regulations issued by the Commission under section 834, the committee has reported the bill as introduced which specifically adds pipelines to the definition section. The committee notes that since under the definition contained in sections 1(3)(a) and 1(1)(b) of the Interstate Commerce Act, "common carrier" includes a pipeline company engaged in the transportation of oil or other commodity, except water and except natural or artificial gas. Striking the three words "other than pipelines" in section 831 restores the Commission's authority to formulate safety regulations for pipelines (other than water or gas) and to administer and enforce the provisions of the law relating to the transportation of combustibles and explosives as they pertain to such pipeline companies. The addition of the words "or pipeline" to section 831 in the proposed legislation clarifies the intent of the committee to restore the Commission's authority as it existed prior to the 1960 amendments.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 5041) was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 414, S. 1021, a companion bill to H.R. 5041, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, S. 1021 is indefinitely postponed.

HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 366, S. 2213.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2213) to assist in the provision of housing for low- and moderate-income families, to promote orderly urban development, to improve living environment in urban areas, and to extend and amend laws relating to housing, urban renewal, urban mass transportation, and community facilities.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, no action will be taken on the bill today because it is my understanding that the distinguished Senator from West Virginia [Mr. BYRD], chairman of the Subcommittee on District of Columbia Appropriations, is about to call up the conference report on the District of Columbia appropriation bill. Before he does so, I yield to the distinguished Senator from Illinois, the minority leader.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to query the distinguished majority leader about the business for the rest of today and tomorrow and, so far as he can determine, for the remainder of the week.

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished minority leader, whom I am happy to see in improved health, and who, I hope, will remain that way——

Mr. DIRKSEN. I thank the Senator from Montana.

Mr. MANSFIELD. It is the intention, first, to call up the conference report on the District of Columbia appropriation bill. The housing bill, which is the pending business, will not be considered until tomorrow.

I understand that there is a possibility that tomorrow the conference report on the river basin planning bill may follow the housing bill.

Then either Calendar No. 368, S. 118, the District of Columbia home rule bill, or Calendar No. 258, S. 9, the so-called GI cold war bill, will follow in that order.

ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, after consulation with the distinguished minority leader and other Senators, I ask unanimous consent that when the Senate completes it business tonight, it adjourn until 11 o'clock tomorrow morning.

Mr. DIRKSEN. Mr. President, reluctantly, I would hope that the majority leader would not have the Senate convene before noon tomorrow.

Mr. MANSFIELD. Mr. President, I change that request to 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRUTH IN PACKAGING

Mr. HART. Mr. President, much has been said by opponents of the truth-in-packaging bill (S. 985) concerning the alleged lack of interest in the bill by the average consumer. Much also has been said by the opponents—all of it laudatory—about the intelligence of our American women. As opponents tell the story, women are much too smart to be fooled by the packaging they face in today's supermarket. Therefore, the argument continues, women have no interest in a bill which would correct some of those packaging practices.

There is no question in my mind as to the capabilities of American women. As a matter of fact. I have contributed several thousand words of praise to the ever-swelling collection of tributes.

However, one thing has struck me. That is that all of the defenders of the "too-smart-to-be-fooled" American women are American men. Women themselves have another story to tell.

Recently, Special Assistant to the President for Consumer Affairs Esther Peterson—a very intelligent woman who strongly suports the truth-in-packaging bill—exchanged letters with another of our intelligent American women who also strongly supports—and wants—the bill. Mrs. Peterson thought the exchange so typical—as do I—that she wanted to share the letters with the Members of Congress.

Mr. President, I ask unanimous consent that the correspondence of Mrs. Stephen Press, of New York City, with Mrs. Peterson be printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

NEW YORK, N.Y.
May 18, 1965.

Mrs. ESTHER PETERSON,
Special Assistant to the President for Consumer Affairs, Executive Office of the President, Washington, D.C.

DEAR MRS. PETERSON: Thank you so much for your letter of May 10.

I would certainly have no objection to having any part or all of my letter inserted in the CONGRESSIONAL RECORD. Would it be possible for me to obtain a copy of the section of the CONGRESSIONAL RECORD in which it will appear or else to find out just where in the RECORD to look for it myself? My curiosity also prompts me to ask whether you would not recall on what television program it was that you quoted from my letter.

In my previous letter to you, I had made a statement to the effect that there did not seem to be any agency to which the consumer group that I had been heading could turn. Since this was a rather vague statement, I would like to present to you a sampling of the problems that we discovered and seek your advice in regard to them.

We were surveying food stores, for example, to see how faithfully they adhered to their advertisements in the newspapers. We discovered that, of the large chains, the A. & P. stores were among the most consistent offenders, in terms of charging more than advertised or of not having the products advertised available. We collected factual proof of discrepancies between prices advertised on certain products and the prices actually charged for them, and the first place that we turned to with this information was the New York City Department of Markets. The department of markets expressed interest in the matter, but, despite our numerous and protracted efforts, we were never able to find out what, if anything, had been done in regard to the situation. We turned to the Better Business Bureau, and this agency never inspected the matter at first hand at all; they simply talked to the executives at the A. & P., gave us the A. & P.'s version of the story (which we already knew) and said they trusted the matter had been explained to our satisfaction. The New York State attorney general's office and the Federal Trade Commission were of no help either. The false advertising was a fact, we had proof of it, but no one was interested.

As a second example, we determined through surveys that the price of milk in the city of New York varied fantastically in different parts of the city. At the time of the survey, the price of a half-gallon container of milk, for instance, averaged 57–58 cents in the lower and middle portions of Manhattan, 49 cents in upper Manhattan and the lower Bronx, and progressively less as one advanced further north in the Bronx; in the adjoining Borough of Queens, it averaged 45 cents. We also analyzed the prices from the point of view of what certain specific chainstores were charging in different sections of the city. Our results showed that the prices in the chainstore branches corresponded to the average prices mentioned above. Thus, for example, the price of milk in one chain—the A. & P.—on one brand of milk—Borden's—differed according to the section of the city the branch store was located in. The New York City Commissioner of Investigation was conduct-

89TH CONGRESS
1ST SESSION

H. R. 8370

IN THE HOUSE OF REPRESENTATIVES

JULY 13 (legislative day, JULY 12), 1965
Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes; namely:

DEPARTMENT OF AGRICULTURE

TITLE I—GENERAL ACTIVITIES

Agricultural Research Service

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, marketing, nutrition and consumer use, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work: *Provided,* That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further,* That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further,* That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed $20,000, except for six buildings to be constructed or improved at a cost not to exceed $45,000 each, and the cost of altering any one building

during the fiscal year shall not exceed $7,500 or 7.5 per centum of the cost of the building, whichever is greater: *Provided further,* That the limitations on alterations contained in this Act shall not apply to a total of $100,000 for facilities at Beltsville, Maryland:

Research: For research and demonstrations on the production and utilization of agricultural products; agricultural marketing and distribution, not otherwise provided for; home economics or nutrition and consumer use of agricultural and associated products; and related research and services: and for acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed $100; (1)~~$114,394,000, of which not to exceed $10,393,000 shall remain available until expended for construction, alteration, and improvement of facilities, without regard to limitations contained herein~~ *$114,836,800, plus the following amounts, to remain available until expended for the construction, alteration, and equipping of the following research facilities: $1,840,000 for the construction of an insect attractants and stored-products insects laboratory, Gainesville, Florida; $2,990,000 for the construction of a livestock insects and toxicology laboratory, College Station, Texas; $500,000 for the modification of the chemical weed control laboratory, authorized in 1964 for monitoring the impact of pesticides on the environment Stoneville, Mississippi; $644,000 for the construction of a*

cotton disease laboratory, College Station, Texas; $92,000 for the construction of cotton-ginning facilities, Mesilla Park, New Mexico; $1,150,000 for the construction of a laboratory for physiology and cotton insects, Temple, Arizona; $92,000 for the construction of a ginning laboratory facility, Stoneville, Mississippi; $506,000 for the construction of a cotton physiology laboratory, Stoneville, Mississippi; $500,000 for plans and construction of a laboratory for poultry research, Georgetown, Delaware; $500,000 for plans and construction of a water pollution laboratory, Durant, Oklahoma; $719,000 for alteration of facilities at the Agricultural Research Center, Beltsville, Maryland; in all $124,369,800, and in addition not to exceed **(2)** ~~$24,600,000~~ *$16,600,000* from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88–250 to be transferred to and merged with this appropriation: *Provided,* That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113 (a)) ;

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b–c),

(3)~~$71,119,000~~ *$75,060,000,* of which $1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions: *Provided,* That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by any State of at least 40 per centum(4)*: Provided further, That hereafter no funds in excess of $250,000 shall be available for carrying out the screw-worm eradication program that does not require minimum matching by State and local sources of at least 50 per centum of the expenses of production, irradiation, and release of screw-worm flies: Provided further,* That, in addition, in emergencies which threaten the livestock or poultry industries of the country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for expenses in accordance with the Act of February 28, 1947, as amended, and any unexpended balances of funds transferred

under this head in the next preceding fiscal year shall be merged with such transferred amounts;

Special fund: To provide for additional labor, sub-professional and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than $2,000,-000 of the amount appropriated under this head for the previous fiscal year may be used by the Administrator of the Agricultural Research Service in departmental research programs in the current fiscal year, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments, in foreign currencies owed to or owned by the United States for market development research authorized by section 104 (a) and for agricultural and forestry research and other functions related thereto authorized by section 104 (k) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704 (a) (k)), to remain available until expended, (5) ~~$2,000,000~~ *$4,000,000*: *Provided,* That this appropriation shall be available in addition to other appropriations for these purposes, for payments in the foregoing currencies: *Provided further,* That funds appropriated herein shall be used for

payments in such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph: *Provided further*, That not to exceed $25,000 of this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

COOPERATIVE STATE RESEARCH SERVICE

PAYMENTS AND EXPENSES

For payments to agricultural experiment stations, for grants for cooperative forestry research, for basic scientific research, and for facilities, and for other expenses, including (6)~~$47,113,000~~ *$48,113,000* to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a–361i), including administration by the United States Department of Agriculture; (7)~~$2,000,000~~ *$3,000,000* for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a—582a–7) (8)~~;~~ ~~and not to exceed $400,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88–250 to be transferred and merged with this appropriation~~; *$2,000,000 in addition to funds otherwise available*

for grants for support of basic scientific research under the Act approved September 6, 1958 (42 U.S.C. 1891–1893); $2,000,000 for grants for facilities under the Act approved July 22, 1963 (77 Stat. 90); $310,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and $272,000 for necessary expenses of the Cooperative State Research Service, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $50,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); in all, (9)~~$51,695,000~~ *$55,695,000.*

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341–349), (10)~~$71,230,000~~ *$74,030,000;* and payments and contracts for such work under section 204(b)–205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623–1624), $1,570,000; in all, (11)~~$72,800,000~~ *$75,600,000*: *Provided,* That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be

paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement and Employees' Compensation costs for extension agents: For cost of employer's share of Federal retirement and for reimbursement for benefits paid from the Employees' Compensation Fund for cooperative extension employees, $7,857,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, $3,113,000.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341–349), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, $2,565,000.

Farmer Cooperative Service

salaries and expenses

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451–457), and for conducting research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the Agricultural Marketing

Act of 1946 (7 U.S.C. 1621–1627), (12)~~$1,141,000~~ *$1,241,000.*

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soil; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, (13)~~$105,373,000~~ *$106,373,000*: *Provided,* That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed $2,500, except for one building to be constructed at a cost not to exceed $25,000 and eight buildings to be constructed or improved at a cost not to exceed $15,000 per building and except that alterations or improvements to other existing permanent buildings costing $2,500 or more may be made in any fiscal year in an

amount not to exceed $500 per building: *Provided further,* That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further,* That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a–590f) in demonstration projects: *Provided further,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $5,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further,* That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service.

WATERSHED PLANNING

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001–1008), to remain available until expended, $5,721,000, with which shall be merged the unexpended balances of funds heretofore appropriated under this head: *Provided,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed

$50,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

WATERSHED PROTECTION

For necessary expenses to conduct river basin surveys and investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001–1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), to remain available until expended, (14) ~~$61,171,000~~ *$65,746,000*, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not to exceed (15) ~~$1,000,000~~ *$5,500,000*, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

FLOOD PREVENTION

For necessary expenses, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701–709, 16 U.S.C. 1006a), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including funds for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $100,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain available until expended; $25,417,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided,* That not to exceed $200,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), (16)~~$14,864,000~~ *$17,432,000,* to remain available until expended.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development, and for sound land use, pursuant to the provisions of section 32 (e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f, (17)~~$2,813,000~~ *$4,303,000*, to remain available until expended: *Provided*, That not to exceed (18)~~$1,000,000~~ *$1,500,000* of such amount shall be available for loans and related expenses under subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $50,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

ECONOMIC RESEARCH SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and other laws, including economics of marketing; analyses relating to farm prices, income and

population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; (19)~~$11,072,000~~ *$11,591,000*: *Provided,* That not less than $350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further,* That this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further,* That not less than $145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

STATISTICAL REPORTING SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, (20)~~$13,595,000~~ *$13,875,000*: *Provided,* That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop: *Provided further,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $40,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

CONSUMER AND MARKETING SERVICE

CONSUMER PROTECTIVE, MARKETING, AND REGULATORY PROGRAMS

For expenses necessary to carry on services related to consumer protection, agricultural marketing and distribution, and regulatory programs, as authorized by law, and for administration and coordination of payments to States; and this appropriation shall be available for field employment

pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $25,000 shall be available for employment at rates not to exceed $75 per diem under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946; (21) ~~$75,852,000~~ *$76,412,000.*

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), (22) ~~$1,500,000~~ *$2,000,000.*

SPECIAL MILK PROGRAM

For necessary expenses to carry out the Special Milk Program, as authorized by the Act of August 8, 1961 (7 U.S.C. 1446, note), (23) ~~$100,000,000~~ *$108,000,000.*

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act, as amended (42 U.S.C. 1751–1760), (24) ~~$155,000,000~~ *$157,000,000* (25) *including $2,000,000 for special assistance to needy schools, as authorized by law: Provided,* That no part of this appropriation

shall be used for nonfood assistance under section 5 of said Act: *Provided further,* That $45,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act.

FOOD STAMP PROGRAM

For necessary expenses of the food stamp program pursuant to the Food Stamp Act of 1964, (26)~~$100,000,000~~ *$80,000,000*(27)*: Provided, That, in addition, not more than $20,000,000 of the amount appropriated under this head for the previous fiscal year may be transferred to and merged with this appropriation.*

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(SECTION 32)

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, and (3) not more than $2,924,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural

Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $35,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), $20,574,000: *Provided,* That not less than $255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further,* That, in addition, not to exceed $3,117,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

Amounts heretofore appropriated under this head shall be available for payments in any foreign currencies owed to or owned by the United States.

Commodity Exchange Authority

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1–17a), $1,169,000.

Agricultural Stabilization and Conservation Service

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301–1393); Sugar Act of 1948, as amended (7 U.S.C. 1101–1161); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), 16(h), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g–590q; 7 U.S.C. 1010–1011); subtitles B and C of the Soil Bank Act (7 U.S.C. 1831–1837, 1802–1814, and 1816); and laws pertaining to the Commodity Credit Corporation,

(28)~~$111,714,000~~ *$135,350,000*: *Provided,* That, in addition, not to exceed (29)~~$96,615,000~~ *$75,390,000* may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed $34,874,000 under the limitation on Commodity Credit Corporation administrative expenses): *Provided further,* That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further,* That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101–1161), $95,000,000, to remain available until June 30 of the next succeeding fiscal year.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g–590(o), 590p(a), and 590q), including not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, $220,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the programs of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Related Agencies Appropriation Acts, 1964 and 1965, carried out during the period July 1, 1963, to December 31, 1965, inclusive: *Provided,* That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further,* That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland Types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior, Fish and

Wildlife Service Circular 39, Wetlands of the United States, 1956: *Provided further*, That necessary amounts shall be available for administrative expenses in connection with the formulation and administration of the 1966 program of soil-building and soil- and water-conserving practices, including related wildlife conserving practices, under the Act of February 29, 1936, as amended (amounting to $220,000,000, excluding administration, except that no participant shall receive more than $2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That not to exceed 5 per centum of the allocation for the current year's agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency

for the same purpose and under the same conditions: *Provided further,* That for the current year's program, $2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices: *Provided further,* That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further,* That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituing a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

CROPLAND CONVERSION PROGRAM

For necessary expenses to promote the conservation and economic use of land pursuant to the provisions of section 16(e) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590p), as amended, (30)~~$7,500,000~~ *$10,000,000,* to remain available until expended.

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831–1837, 1802–1814, and 1816), and to carry out liquidation activities for the acreage reserve program, to remain available until expended, (31)~~$140,000,000~~ *$146,000,000,* with which may be merged the unexpended balances of funds heretofore appropriated for soil bank programs: *Provided,* That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants.

EMERGENCY CONSERVATION MEASURES

For emergency conservation measures, to be used for the same purposes and subject to the same conditions as funds appropriated under this head in the Third Supplemental Appropriation Act, 1957, to remain available until expended, (32)~~$4,000,000~~ *$30,000,000,* with which shall be merged

the unexpended balances of funds heretofore appropriated for emergency conservation measures.

RURAL COMMUNITY DEVELOPMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Rural Community Development Service in providing leadership, coordination, liaison, and related services in the rural areas development activities of the Department, (33) ~~$500,000~~ *$750,000*: *Provided,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $3,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) and not to exceed $10,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), (34) ~~$10,416,000~~ *$10,491,000.*

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, (35)~~$4,139,000~~ *$4,229,000.*

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, $1,689,000, of which total appropriation not to exceed $537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be available to be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by

section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided,* That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $10,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

National Agricultural Library

salaries and expenses

For necessary expenses of the National Agricultural Library, (36)~~$1,599,000~~ *$1,865,000*: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $35,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

library facilities

For construction and furnishing of facilities for the National Agricultural Library, to remain available until expended, $7,000,000, with which shall be merged the unexpended balance of funds heretofore appropriated under this head.

OFFICE OF MANAGEMENT SERVICES

SALARIES AND EXPENSES

For necessary expenses to enable the Office of Management Services to provide management support services to selected agencies and offices of the Department of Agriculture, (37)~~$2,483,000~~ *$2,500,000*.

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, including expenses of the National Agricultural Advisory Commission; repairs and alterations; and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, $3,848,000: *Provided,* That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C. 1001) : *Provided further,* That not to exceed $2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary(38)*: Provided further, That $60,000 of this amount shall be available only for the pur-*

pose of Public Law 88-584, approved September 7, 1964, to establish Federal agricultural services to Guam.

TITLE II—CREDIT AGENCIES

Rural Electrification Administration

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act, as follows: Rural electrification program, (39)~~$350,000,000~~ *$380,000,000*, of which (40)~~$65,000,000~~ *$50,000,000* shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone program, $97,000,000, of which (41)~~$7,000,000~~ *$15,000,000* shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural telephone program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed $500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $150,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), $11,934,000.

FARMERS HOME ADMINISTRATION

(42) *RURAL HOUSING GRANTS AND LOANS*

For grants and loans for the purposes of section 504 of the Housing Act of 1949, as amended (42 U.S.C. 1474), $10,000,000, to remain available until expended.

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335(a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, (43) ~~$40,000,000~~ *$75,000,000*; and operating loans, $300,000,000, of which $50,000,000 shall be placed in reserve to be used only to the extent required during the current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program.

RURAL HOUSING FOR DOMESTIC FARM LABOR

For financial assistance to public nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (78 Stat. 796–798), (44)~~$2,000,000~~ *$5,000,000*, to remain available until expended.

RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, $1,200,000 to remain available until expended.

RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

For loans pursuant to section 515(a) of the Housing Act of 1949, as amended (42 U.S.C. 1485), including advances pursuant to section 335(a) of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1985) in connection with security for such loans, (45)~~$2,500,000~~ *$5,000,000*.

SALARIES AND EXPENSES

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, title V of the Housing Act of 1949, as amended (42 U.S.C.

1471–1484), and the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440–444); (46)~~$42,733,000~~ *$44,692,000*, together with not more than $2,250,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farmers Home Administration Act of 1961, as amended, and section 514(b)(3) of the Housing Act of 1949, as amended: *Provided*, That, in addition, not to exceed $500,000 of the funds available for the various programs administered by this Agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) to meet unusual or heavy workload increases(47)~~:~~ *Provided further,* ~~That no part of any funds in this paragraph may be used to administer a program which makes rural housing grants pursuant to section 504 of the Housing Act of 1949, as amended~~.

TITLE III—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be

necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, (48)~~$7,478,000~~ *$8,478,000*.

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed (49)~~$4,138,000~~ *$3,638,000* of administrative and operating expenses may be paid from premium income(50)~~: *Provided,* That in the event the Federal Crop Insurance Corporation Fund is insufficient to meet indemnity payments and other charges against such Fund, such additional amounts as may be necessary may be borrowed from the Commodity Credit Corporation under such terms and conditions as the Secretary may prescribe, but repayment of such amount shall include interest at a rate not less than the cost of money to the Commodity Credit Corporation for a comparable period~~.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

To partially reimburse the Commodity Credit Corporation for net realized losses sustained but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a–11, 713a–12), (51)~~$2,300,000,000~~ *$3,226,800,000*

(52): *Provided,* That after June 30, 1964, the portion of borrowings from Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after June 30 of the fiscal year in which such losses are realized, shall not bear interest and interest shall not be accrued or paid thereon.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided,* That not to exceed $36,650,000 shall be available for administrative expenses of the Corporation: *Provided further,* That $945,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further,* That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further,* That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the

Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.

PUBLIC LAW 480

~~(53)For expenses during fiscal year 1966, not otherwise recoverable during such year, and unrecovered prior years' costs, including interest thereon, under titles I, II, and IV of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701–1709, 1721–1724, 1731–1736) $1,658,000,000, to remain available until expended for (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said Act, and (3) long-term supply contracts pursant to title IV of said Act.~~

For expenses during fiscal year 1966, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701–1709, 1721–1724, 1731–1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, $1,144,000,000; (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said

Act, $298,500,000; and (3) long-term supply contracts pursuant to title IV of said Act, $215,500,000

INTERNATIONAL WHEAT AGREEMENT

For expenses during fiscal year 1966 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641–1642), $27,544,000, to remain available until expended.

(54) ~~BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE~~

~~For expenses during fiscal year 1966 and unrecovered prior years' costs related to strategic and other materials acquired as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540, Eighty-fourth Congress (7 U.S.C. 1856) $30,000,000, to remain available until expended.~~

TITLE IV—RELATED AGENCIES

Farm Credit Administration

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $2,990,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

NATIONAL COMMISSION ON FOOD MARKETING

SALARIES AND EXPENSES

For necessary expenses of the National Commission on Food Marketing, established by Public Law 88-354, approved July 3, 1964, (55)~~$750,000~~ *$1,500,000.*

TITLE V—GENERAL PROVISIONS

SEC. 501. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed four hundred and sixty-four (464) passenger motor vehicles, of which four hundred and forty-eight (448) shall be for replacement only, and for the hire of such vehicles.

SEC. 502. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

SEC. 503. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

SEC. 504. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction,

oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

SEC. 505. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

SEC. 506. Not less than $1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958, (7 U.S.C. 427, 1621–1629; 42 U.S.C. 1891–1893), shall be available for contracting in accordance with said Acts.

This Act may be cited as the "Department of Agriculture and Related Agencies Appropriation Act, 1966".

Passed the House of Representatives May 26, 1965.

Attest: RALPH R. ROBERTS,

Clerk.

Passed the Senate with amendments July 13 (legislative day, July 12), 1965.

Attest: FELTON M. JOHNSTON,

Secretary.

89TH CONGRESS
1ST SESSION

H. R. 8370

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 13 (legislative day, JULY 12), 1965

Ordered to be printed with the amendments of the Senate numbered

H. R. 8870

AN ACT

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued Aug. 10, 1965
For actions of Aug. 9, 1965
89th-1st; No. 145

CONTENTS

Acreage allotments.....20	Foreign trade.....3	Recreation.....17
Adjournment.....12	Forestry.....4,13	Research.....5,19
Agricultural appropriations.....1	Job Corps.....4	Saline water research....5
Appropriations.....1,2,7	Military construction....2	Transportation.....6
Contractors.....18	Mc ing expenses.....15	Weather research.....19
Disaster relief.....14,20	Peace Corps.....11	Weights and measures.10,16
Farm record.....9	Peanuts.....8	
	Personnel.....15	

HIGHLIGHTS: Senate subcommittee voted to report State-Justice-Commerce appropriation bill. Rep. Utt criticized U. S. foreign trade with Communist nations.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL. Conferees were appointed on this bill, H. R. 8370 (p. 18946). Senate conferees have already been appointed.

2. MILITARY CONSTRUCTION APPROPRIATION BILL. The Appropriations Committee reported this bill, H. R. 10323 (H. Rept. 738)(p. 19006). Agreed to a Rules Committee resolution, which had been reported earlier, waiving all points of order against this bill. Rep. Smith, Va., explained that this resolution was necessary since the President has not yet signed the military construction authorization bill (pp. 18946-7, 19006).

3. FOREIGN TRADE. Rep. Utt criticized U. S. trade with Communist nations, stated that "we should put an end to the Johnson administration's policy of trading with the enemy in hopes that this coexistence will somehow bring about peace," and inserted an article in support of his position. pp. 18985-7

4. FORESTRY; JOB CORPS. Rep. Leggett commended the establishment of a Job Corps camp by the Forest Service at Alder Springs, Calif., and inserted a letter from the Center Director listing the staff members of the camp and an analysis of their backgrounds. pp. 19002-3

5. SALINE WATER RESEARCH. Rep. Aspinall inserted the report of the Committee on Use and Treatment of Saline Waters, National Rivers and Harbors Congress, reviewing progress under the saline water research program. pp. 18983-4

6. TRANSPORTATION. Received from GSA a proposed bill "to amend section 321 of the Transportation Act of 1940 in relation to the providing of Federal traffic management services"; to Interstate and Foreign Commerce Committee. p. 19006

SENATE

7. STATE-JUSTICE-COMMERCE-JUDICIARY APPROPRIATION BILL. A subcommittee of the Appropriations Committee voted to report the full committee this bill, H. R. 8639. p. D763

ITEMS IN APPENDIX

8. PEANUTS. Extension of remarks of Rep. O'Neal commending and inserting an article, "Boiled Peanuts Signal Advent of New Season." pp. A4393-4

9. FARM RECORD. Extension of remarks of Rep. McGrath praising the "fine" and "enviable" agricultural record of New Jersey for 1964. pp. A4394-5

10. WEIGHTS AND MEASURES. Extension of remarks of Rep. McClory endorsing and inserting an article urging enactment of a bill providing for a three year study of whether the United States should convert its weights and measures to the metric system. p. A4395

11. PEACE CORPS. Rep. Hansen, Iowa, inserted an article describing the work of a young Peace Corps member with newly founded farmers' cooperatives in Colombia pp. A4396-7

12. ADJOURNMENT. Extension of remarks of Rep. Rosenthal favoring a vacation for Congress each summer and inserting an article on the subject. p. A4404

13. FORESTRY. Rep. Selden inserted a Florida Forestry Association citation for outstanding contributions to forestry presented to Rep. D. R. Matthews. p. A4412

BILLS INTRODUCED

14. DISASTER RELIEF. H. R. 10332 by Rep. Randall, to provide additional assistance for areas suffering a major disaster; to Public Works Committee.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 89th CONGRESS, FIRST SESSION

Vol. 111 WASHINGTON, MONDAY, AUGUST 9, 1965 No. 145

Senate

The Senate was not in session today. Its next meeting will be held on Tuesday, August 10, 1965, at 12 o'clock meridian.

House of Representatives

MONDAY, AUGUST 9, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., prefaced his prayer with these words of Scripture: Psalm 72: 19: *Blessed be His glorious name forever, and let the whole earth be filled with His glory.*

Almighty God, open our eyes that we may see Thee as the light shining through all mystery, the love glowing in our fellowships, the laborer toiling with us for that higher good which we constantly aspire to and have not yet attained.

Lead us in our halting and stumbling efforts to reach that which is noble and good and lift us out of our doubts and fears which cause us to stand in weakness into that faith and courage which enable us to walk in strength and power.

Quicken our spirit into newness of life and may the seeds of aspiration bud and bloom into new achievement and may all that is good within us praise and glorify Thee.

In Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, August 5, 1965, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills and a concurrent resolution of the House of the following titles:

H.R. 4346. An act to amend section 502 of the Merchant Marine Act, 1936, relating to construction differential subsidies;

H.R. 4714. An act to amend the National Arts and Cultural Development Act of 1964 with respect to the authorization of appropriations therein; and

H. Con. Res. 100. Concurrent resolution expressing the approval of Congress for the disposal of raw silk and silk noils from the national stockpile.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. Res. 7765. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HILL, Mr. STENNIS, Mr. PASTORE, Mr. BIBLE, Mr. BYRD of West Virginia, Mr. COTTON, and Mrs. SMITH to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 561. An act to achieve the fullest cooperation and coordination of activities among the levels of government in order to improve the operation of our Federal system in an increasingly complex society, to improve the administration of grants-in-aid to the States, to provide for congressional review of Federal grants-in-aid, to permit provision of reimbursable technical services to State and local governments, to establish coordinated intergovernmental policy and administration of grants and loans for urban development, to provide for the acquisition, use, and disposition of land within urban areas by Federal agencies in conformity with local government programs, and for other purposes;

S. 944. An act to provide for expanded research and development in the marine environment of the United States, to establish a National Council on Marine Resources and Engineering Development, and a Commission on Marine Science, Engineering, and Resources, and for other purposes; and

S. 1559. An act to amend the Federal Reserve Act in order to enable the Federal Reserve banks to extend credit to member banks and others in accordance with current economic conditions, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7997) entitled "An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1966, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to Senate amendment No. 77 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (S. 24) entitled "An act to expand, extend, and accelerate the saline water conversion program conducted by the Secretary of the Interior, and for other purposes."

The message also announced that the Vice President, pursuant to Public Law 170, 74th Congress, had appointed the following Members on the part of the Senate to the 54th Interparliamentary Union Conference to be held in Ottawa, Ontario, September 9 to 17, 1965: Mr. TALMADGE, chairman, Mr. ROBERTSON, Mr. MCNAMARA, Mr. JORDAN of North Carolina, Mr. YOUNG of Ohio, Mr. MUSKIE, alternate, Mr. ALLOTT, Mr. SCOTT, Mr. COOPER, Mr. SIMPSON, and Mr. THURMOND.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1966

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, H.R. 8370 with Senate amendments, disagree to the amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. WHITTEN, NATCHER, HULL, MORRIS, MAHON, MICHEL, LANGEN, and BOW.

CORRECTION OF THE RECORD

Mr. ADAIR. Mr. Speaker, in my remarks on August 5, 1965, on page 18773 of the CONGRESSIONAL RECORD a number of mistakes were made in the printing.

First. Quotation marks were omitted in two places. In the first paragraph at the top of the page, the phrase, "irresponsible pressures," should be in quotes. Also in the fourth paragraph on the same page, the phrase. "good friend," should be in quotation marks.

Then, in the third paragraph, the word "the," is repeated. In addition, in the second paragraph in the second column, the word "lemmings," is misspelled.

I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 226]

Adams	Fulton, Pa.	MacGregor
Andrews, N. Dak.	Fulton, Tenn.	Mackay
Ashley	Gilligan	Martin, Ala.
Bandstra	Goodell	Martin, Mass.
Bonner	Griffin	Mathias
Brademas	Halpern	May
Brock	Hardy	Meeds
Brown, Ohio	Harris	Michel
Cahill	Harvey, Ind.	Moeller
Carter	Hawkins	Moore
Cederberg	Hicks	Moorhead
Celler	Holland	Morrison
Clausen, Don H.	Hosmer	Morton
Colmer	Hull	Moss
Conyers	Huot	Murphy, N.Y.
Corbett	Ichord	Nix
Corman	Irwin	O'Neill, Mass.
Cramer	Jarman	Passman
Curtis	Jennings	Pelly
Devine	Jones, Mo.	Pepper
Diggs	Keith	Pirnie
Ellsworth	Keogh	Pool
Erlenborn	King, N.Y.	Powell
Evins, Tenn.	Kluczynski	Quie
Farnsley	Kornegay	Resnick
Farnum	Krebs	Rivers, Alaska
Fino	Laird	Robison
Fogarty	Lindsay	Rogers, Fla.
Foley	Long, Md.	Rogers, Tex.
Fraser	McCarthy	Roncalio
Frelinghuysen	McCulloch	Roosevelt
	McDowell	Rostenkowski
	Macdonald	Roybal
Ryan	Springer	Vivian
St Germain	Stalbaum	Weltner
Saylor	Sweeney	Widnall
Schmidhauser	Thomas	Wilson,
Senner	Thompson, N.J.	Charles H.
Shipley	Toll	Wydler
Smith, Iowa	Tuck	Yates
Smith, N.Y.	Van Deerlin	

The SPEAKER. On this rollcall, 312 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MILITARY CONSTRUCTION, DEPARTMENT OF DEFENSE, FISCAL YEAR ENDING JUNE 30, 1966

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution, House Resolution 504, and ask for its present consideration.

The Clerk read the resolution, as follows:

Resolved, That during the consideration of the bill (H.R. 10323) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes, all points of order against the bill are hereby waived.

The SPEAKER. The gentleman from Virginia [Mr. SMITH] is recognized for 1 hour.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman.

Mr. GROSS. Would the gentleman state why waiving points of order is necessary?

Mr. SMITH of Virginia. I have not had the opportunity to do so yet. I have just been recognized.

Mr. Speaker, this resolution is necessary to alleviate a situation that is somewhat unusual but it is very simple.

The House and Senate passed the military construction bill. It has been sent to the President for his signature. It has not as yet been signed by the President and, therefore, it is not law and it is not lawful to pass the appropriation bill unless there is a waiver of points of order. It is expected that the appropriation bill will be taken up on the floor tomorrow and it is the desire of the Committee on Appropriations that the points of order may be waived, which involves as I understand it only this question—that the President just has not gotten around to signing the bill. Does that explain it to my friend's satisfaction?

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman.

Mr. GROSS. Would this mean that additional money can be added to this bill, by the request from the White House for additional money?

Mr. SMITH of Virginia. No. This is no request from the White House at all. I knew nothing about it and it first came to me from the Committee on Appropriations because of this situation which I hope I have described to the satisfaction of the Members of the House.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman.

Mr. JONAS. Mr. Speaker, will the rule waiving points of order apply only to the fact that the authorizing legislation has not become law or does it waive all points of order?

Mr. SMITH of Virginia. I am not aware of any points of order that could be raised against the bill itself. This is to take care of the situation I have described, but it does not specify anything except that points of order are waived.

Mr. JONAS. Referring to section 103, I think the Members of the House should be aware of the fact that section 103 might be subject to a point of order. I would like to ask the gentleman from Florida if he will turn to this section so that we can discuss it just a bit before the rule is adopted. That section would require certification by the Secretary of Defense—and one or two other general provisions that might be subject to points of order. I think the Members of the House should be made aware of that and that it should be made clear that the committee does not intend to include any new legislation in the appropriation bill.

Mr. SMITH of Virginia. Mr. Speaker, I yield to the gentleman from Florida [Mr. SIKES], a member of the committee.

Mr. SIKES. Mr. Speaker, may I state to my distinguished friend that there is no new legislation in this bill. Each section in the general provisions has been approved by the Congress in previous legislation. The items which would be subject to a point of order are the line items for new military construction.

Again let me say that the only reason a rule is being requested is that the authorization bill which has been approved by both branches of Congress has not been signed by the President. There is no new legislation in here, and everything in the general provisions was in previous measures.

Mr. JONAS. Mr. Speaker, will the gentleman from Virginia yield?

Mr. SMITH of Virginia. I yield to the gentleman from North Carolina.

Mr. JONAS. I am delighted to have the distinguished chairman of the subcommittee make that point clear and also make it clear to the membership that general provisions in the bill are similar to provisions which have previously been approved by Congress. It is not the intention of the subcommittee or of the Committee on Appropriations to propose new legislation in this bill.

Mr. SMITH of Virginia. That is my understanding of the situation. I thank the gentleman.

Mr. Speaker, I now yield such time as he may consume to the gentleman from California [Mr. SMITH].

Mr. SMITH of California. Mr. Speaker, I learned of this situation only this morning. I have been informed that the authorization legislation has not been signed. In order to consider the appropriation bill tomorrow this special rule is necessary.

I am not familiar with whether or not any points of order could be lodged against the bill, other than this particular point of order.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
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Issued Oct. 14, 1965
For actions of Oct. 13, 1965
89th-1st, No. 191

CONTENTS

Adjournment.....27
Appropriations...3,4,10,15
Agricultural appropriations.....3
Balance of payments.....8
Bridges.....17
Continuing appropriations.....15
Copyrights.....16
Counterpart funds.....14
Dairy.....25
Disaster relief.....5,28
Education.....6
Farm labor.....9
Farm program.....25
Fish.....18
Foreign affairs.....17
Foreign trade...8,21,24,32
Forestry.....22
Highway beauty.....20
Information.....2,19
Legislative accomplishments.....26
Motor vehicles.....7
Public works.....10
Purchasing.....13
Reports.....11,32
Research.....6,30
Safety.....7
Salt.....29
Station transfers.....12
Sugar.....1
Supplemental appropriations.....4
Taxation.....31
Trade agreements.....21
Trade statistics.....32
Water conservation.....2
Water resources.....23
Wildlife.....18
World food study.....33

HIGHLIGHTS: see page 4

HOUSE

1. SUGAR. Passed, 246-147, as reported H. R. 11135, the sugar bill. Rejected, 95-137, the Findley amendment to cancel quotas of countries that use agents. Rejected, 160-230, a motion by Rep. Harvey, Ind., to recommit the bill with instructions for an amendment to impose an import tax on sugar. pp. 25917-22, 25930-45

2. WATER CONSERVATION. Passed with amendment H. J. Res. 671, to authorize the President to proclaim November 1965 as Water Conservation Month. pp. 25945-6

3. AGRICULTURAL APPROPRIATION BILL. The conferees were given until midnight tonight (Oct. 14) to submit a report on this bill, H. R. 8370. p. 25946

4. SUPPLEMENTAL APPROPRIATION BILL, 1966. The Appropriations Committee reported this bill, H. R. 11588 (H. Rept. 1162)(p. 26000). Attached to this Digest is a table showing the budget estimates and House committee action on requests for

this Department. The bill also includes appropriations for the Office of Economic Opportunity. The bill is to be considered today, Oct. 14 (p. D1020).

5. DISASTER RELIEF. The Public Works Committee reported without amendment H. R. 11539, to provide assistance to Fla., La., and Miss. for reconstruction of areas damaged by the recent hurricane (H. Rept. 1164). p. 26000

6. RESEARCH; EDUCATION. Received a report from the Government Operations Committee on "Conflicts between the Federal research programs and the Nation's goals for higher education" (H. Rept. 1158). p. 26000

7. SAFETY. Rep. Mackay asked for Federal leadership in all aspects of motor-vehicle safety. pp. 25951-2

8. FOREIGN TRADE. Rep. Curtis discussed the outlook for fostering foreign trade and relating to the balance-of-payments program. pp. 25958-62

9. FARM LABOR. Rep. Cleveland inserted an article criticizing the Labor Department's placement program as it relates to N. H. apples. pp. 25963-5

10. PUBLIC WORKS APPROPRIATION BILL. Received the conference report on this bill, H. R. 9220 (H. Rept. 1163). pp. 25991-9

11. REPORTS. The Government Operations Committee voted to report (but did not actually report) S. 2150 (amended), to discontinue or modify certain reporting requirements of law. p. D1021

12. STATION TRANSFERS. The Government Operations Committee voted to report (but did not actually report) H. R. 10607 (amended), to provide for reimbursement of certain moving expenses of employees, and to authorize payment of expenses for storage of household goods and personal effects of employees assigned to isolated duty stations within the continental U. S. p. D1021

13. PURCHASING. The Government Operations Committee voted to report (but did not actually report) S. 1004 (amended), to make title III of the Federal Property and Administrative Services Act applicable to procurement of property and non-personal services by executive agencies. p. D1021

14. COUNTERPART FUNDS. The Government Operations Committee ordered favorably reported a report, "Use of counterpart funds by the Foreign Agricultural Service." p. D1021

SENATE

15. APPROPRIATIONS. Both Houses passed without amendment H. J. Res. 695, making continuing appropriations for fiscal year 1966 (pp. 25906, 25922-23). Sen. Hayden stated that the resolution "extends from October 15 to Saturday, October 23, existing provisions of law, providing funds for the operation of the agencies of Government for which the regular appropriation bills for fiscal year 1966 have not yet been enacted" (p. 25906). This measure will now be sent to the President.

16. COPYRIGHTS. Passed without amendment H. R. 2853, to increase the fees payable to the Copyright Office so as to produce a more appropriate ratio between receipts and expenditures of the Office. This bill will now be sent to the President. pp. 25864-65

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
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Issued Oct. 21, 1965
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CONTENTS

Agricultural appropriations.....1
Air pollution.....41
Appropriations.....1,40,42
Area development.....8
Budgeting.....5
CCC.....11
Commodity exchanges.....21
Cost of living.....33
Disaster relief.....12,14
Economic inequities.....28
Education.....3,18,35
Electrification.....8
Employment.....32
Farm labor.....6
Flood control.....4,16
Foreign aid.....22,42
Forestry.....15
Freight cars.....10
Guam.....25
Highways.....34
Investigations.....9
Irrigation.....17
Lands.....17
Legal aid.....19
Legislative accomplishments.....26
Manpower.....43
Marketing orders.....2
Meat inspection.....20,31
National parks.....38
Patents.....37
Personnel.....32,33,39,43
Reorganization.....27
Rivers and harbors.....4
Soil conservation.....24
Sugar.....7,13
Supplemental appropriations.....11,12
Taxation.....36
Trade fairs.....29
Transportation.....10
Water.....16,30
Watersheds.....23
Work week.....39
Yearbook.....40

HIGHLIGHTS: For highlights see page 5

HOUSE

1. AGRICULTURAL APPROPRIATION BILL. Agreed to the conference report on this bill, H. R. 8370, and acted on amendments in disagreement. Attached is a table showing the changes agreed upon. pp. 26742-7

2. MARKETING ORDERS. Concurred in the Senate amendment to the House amendment to S. 2092, to permit marketing orders for certain fruits and vegetables to provide for paid advertising. This bill will now be sent to the President. p. 26706

3. EDUCATION. By a vote of 313 to 63, agreed to the conference report on H. R. 9567, the aid to higher education bill. pp. 26706-30

4. RIVERS-HARBORS AND FLOOD-CONTROL BILL. By a vote of 221 to 139, agreed to the conference report on this bill, S. 2300. This bill will now be sent to the President. pp. 26730-41

5. BUDGETING. Rep. Halpern spoke in favor of a Joint Committee on the Budget. p. 26762

6. FARM LABOR. Several Representatives debated the termination of the Mexican farm labor program. pp. 26763-80

7. SUGAR. Rep. Hansen, Iowa, inserted his press release defending the House sugar bill. p. 26790

8. ELECTRIFICATION; AREA DEVELOPMENT. Rep. Dent inserted a statement by Pres. Drumm of West Penn Power Co. upon receiving the "E" Service Award from Secretary Connor for area development activity. pp. 26793-4

9. INVESTIGATIONS. The Rules Committee reported with amendment H. Res. 605, authorizing the Agriculture Committee to conduct studies and investigations relating to certain matters within its jurisdiction (H. Rept. 1180). p. 26808

10. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendment S. 1098, to insure adequacy of the railroad freight car supply (H. Rept. 1183). p. 26808

11. SUPPLEMENTAL APPROPRIATIONS. Received from the President a 1966 supplemental request for $500 million for the Commodity Credit Corporation (H. Doc. 307). This item was considered as a part of the Department of Agriculture and Related Agencies Appropriation Bill, 1966, rather than in the Supplemental Appropriation Bill. p. 26807

SENATE

12. SUPPLEMENTAL APPROPRIATION BILL. Passed with amendments this bill, H.R. 11588 (pp. 26584, 26587-631). No changes were made in appropriations to this Department. (For a listing of the items see Digest 195) As passed the bill also provides $70 million to the President to carry out the Hurricane Disaster Relief Act of 1965. House and Senate conferees were appointed on the bill (pp. 26781, 26630).

13. SUGAR. Passed, 69-16, with amendments H.R. 11135, the sugar bill. Agreed to an amendment by Sen. Morse to add quotas of 422 short tons each for Honduras and Bolivia, and a technical corrective amendment by Sen. Long, La. Rejected various amendments. Senate and House conferees were appointed. pp. 26560-83, 26730

14. DISASTER RELIEF. The Public Works Committee reported without amendment H.R. 11539, to provide assistance to Fla., La., and Miss. for reconstruction of areas damaged by the recent hurricane (S. Rep. 917). p. 26542

15. FORESTRY. The Interior and Insular Affairs Committee reported without amendment H. R. 797, to establish the Whiskeytown-Shasta-Trinity National Recreation Area, Calif., (S. Rept. 922). p. 26542

16. WATER. The Agriculture Committee reported an original bill, S. 2679, to amend the Watershed Protection and Flood Prevention Act, as amended (S. Rept. 921) (p. 26542). The "Daily Digest" states that this bill is in respect to "maximum flood detention capacity of watershed project structures" (p. D1041).

89TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 1186

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION, 1966

OCTOBER 20, 1965.—Ordered to be printed

Mr. WHITTEN, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 8370]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 12, 26, 30, 37, 38, 42, 45, 47 and 52.

That the House recede from its disagreement to the amendments of of the Senate numbered 6, 10, 11, 13, 15, 17, 18, 24, 25, 31, 34, 41, 43, 53 and 54, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

$123,622,500, of which not to exceed $11,418,000 shall remain available until expended for plans, construction, alteration, and improvement of facilities, without regard to limitations contained herein

And the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$18,100,000*; and the Senate agree to the same.

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Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment, insert *$74,299,500*; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment, insert *$3,000,000*; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$2,500,000*; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment or the Senate numbered 8, and agree to the same with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

; and not to exceed $400,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88–250 to be transferred and merged with this appropriation; $1,600,000 in addition to funds otherwise available

And the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$54,795,000*; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$65,671,000*; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$16,000,000*; and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$11,536,000*; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$13,755,000*; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$76,192,000*; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$1,750,000*; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$103,000,000*; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$126,278,500*; and the Senate agree to the same.

Amendment numbered 29:

That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$81,933,500*; and the Senate agree to the same.

Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$24,000,000*; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$625,000*; and the Senate agree to the same.

Amendment numbered 35:

That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$4,184,000*; and the Senate agree to the same.

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$1,699,000*; and the Senate agree to the same.

Amendment numbered 39:

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$365,000,000*; and the Senate agree to the same.

Amendment numbered 40:

That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$60,000,000*; and the Senate agree to the same.

Amendment numbered 44:

That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$3,000,000*; and the Senate agree to the same.

Amendment numbered 46:

That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$44,000,000*; and the Senate agree to the same.

Amendment numbered 48:

That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$8,000,000*; and the Senate agree to the same.

Amendment numbered 49:

That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$4,000,000*; and the Senate agree to the same.

Amendment numbered 50:

That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

: Provided, That in the event the Federal Crop Insurance Corporation Fund is insufficient to meet indemnity payments and other charges against such Fund, not to exceed $250,000 may be borrowed from the Commodity Credit Corporation under such terms and conditions as the Secretary may prescribe, but repayment of such amount shall include interest at a rate not less than the cost of money to the Commodity Credit Corporation for a comparable period

And the Senate agree to the same.

Amendment numbered 51:

That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert *$2,800,000,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 27 and 55.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
W. R. HULL, Jr.,
THOMAS G. MORRIS,
GEO. MAHON,
ROBERT H. MICHEL,
ODIN LANGEN,
FRANK T. BOW,
Managers on the Part of the House.

SPESSARD L. HOLLAND,
RICHARD B. RUSSELL,
CARL HAYDEN,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments; namely:

DEPARTMENT OF AGRICULTURE

Agricultural Research Service

Amendments Nos. 1 and 2.—*Research:* Appropriate $123,622,500 instead of $114,394,000 as proposed by the House and $124,369,800 as proposed by the Senate and provide for the transfer of $18,100,000 from section 32 funds instead of $24,600,000 as proposed by the House and $16,600,000 as proposed by the Senate.

The amounts agreed to include the sums approved by the House for cotton and pesticide research facilities, plus $500,000 for the Water Pollution Laboratory at Durant, Okla.; $500,000 for the Poultry Laboratory at Georgetown, Del.; $300,000 for plans for the Animal Research Center at Clay Center, Nebr. (total cost $3,750,000); and $339,000 for repairs and alterations at Beltsville, Md. They also include planning funds for the following facilities: U.S. Range Livestock Experiment Station, Miles City, Mont., $40,000 (total cost $521,000); poultry research facilities, Glendale, Ariz., $50,000 (total cost $750,000); Southwest Great Plains Research Center, Bushland, Tex., $25,000 (total cost $350,000); Grain Marketing Research Laboratory, Manhattan, Kans., $225,000 (total cost $3,385,000); Cereal Rust Laboratory, University of Minnesota, $50,000 (total cost $650,000); National Sedimentation Laboratory, Oxford, Miss., $100,000 (total cost $1,035,000); Soil and Water Research Laboratory Pendleton, Oreg., $45,000 (total cost $425,000); Pasture Research Laboratory, University Park, Pa., $40,000 (total cost $400,000); and Human Nutrition Laboratory, University of North Dakota, $50,000 (total cost $633,000).

Increased funds are also provided as follows: Acceleration of research at Chickasha, Okla., and Madison, S. Dak., $105,000; research on salmonella to be conducted on a nationwide basis, $50,000; mechanization research on dates, $45,000; staffing new laboratories and expanding research facilities, $144,600; additional labor, subprofessional and junior scientific help, $1,000,000; Clay Center, Nebr., $100,000; research on wool fineness, University of Wyoming, $70,000; and $225,000 each for the southeast and northeast hydrology research watersheds at Athens, Ga., and State College, Pa.

Funds in the amount of $224,700 are provided to continue activities of the Food Wholesaling and Retailing Branch. The conferees believe it to be unsound to announce closing of research stations or other major research reductions in advance of committee hearings and request that in the future formal presentations be made prior to any such announcements.

Amendments Nos. 3 and 4.—*Plant and animal disease and pest control:* Appropriate $74,299,500 instead of $71,119,000 as proposed by the House and $75,060,000 as proposed by the Senate. The increase over the House bill includes the following: Plant quarantine inspection, $182,500; animal quarantine inspection, $128,000; Virus-Serum-Toxin Act, $50,000; fire ant eradication, $770,000; cereal leaf beetle, $750,000; hog cholera eradication, $230,000; and screw-worm survey in Mexico, $70,000.

The bill includes $2,806,200 for the maintenance of a barrier zone to protect the screw-worm-freed areas of Texas and New Mexico and other parts of the country from future infestations from Mexico. The bill also provides $1,000,000 for eradication activities in Arizona, $600,000 of which will be matched by funds from other sources, incident to the extension of the barrier zone to the west coast. The Department should plan, conduct, and finance the Federal portion of the cost of barrier zone operations within the funds provided. The policy of requiring matching by State and local sources of funds expended for the production, irradiation, and release of flies used to eradicate infestations within the areas involved is expected to be continued.

The cereal leaf beetle presents a serious threat to production of cereal grains in the United States. The host crops susceptible to attack by this pest are grown in all of the States and have an estimated value of $7 billion. It is essential that steps be taken to prevent further spread from the presently infested States of Indiana, Michigan, and Ohio, which States are expected to cooperate in financing eradication measures.

The conferees expect that the full amount of $3,270,000 appropriated in this bill will be required for the conduct of the cooperative fire ant eradication program and will be used only for that purpose.

Amendment No. 5.—*Special foreign currency program:* Appropriates $3,000,000 instead of $2,000,000 as proposed by the House and $4,000,000 as proposed by the Senate.

Cooperative State Research Service

Amendments Nos. 6 through 9.—*Payments and expenses:* Appropriate $54,795,000 instead of $51,695,000 as proposed by the House and $55,695,000 as proposed by the Senate, including increases of $1,000,000 for Hatch Act pay adjustments, $500,000 for grants for forestry research, and $1,600,000 for grants for basic research, and restore House language authorizing the transfer of $400,000 from section 32 funds for basic research grants.

Extension Service

Amendments Nos. 10 and 11.—*Payments to States and Puerto Rico:* Appropriate $75,600,000 as proposed by the Senate instead of $72,800,000 as proposed by the House.

Farmer Cooperative Service

Amendment No. 12.—*Salaries and expenses:* Appropriates $1,141,000 as proposed by the House instead of $1,241,000 as proposed by the Senate.

Soil Conservation Service

Amendment No. 13.—*Conservation operations:* Appropriates $106,373,000 as proposed by the Senate instead of $105,373,000 as proposed by the House.

Amendments Nos. 14 and 15.—*Watershed protection:* Appropriate $65,671,000 instead of $64,171,000 as proposed by the House and $65,746,000 as proposed by the Senate, and provide loan funds of $5,500,000 as proposed by the Senate instead of $4,000,000 as proposed by the House.

Separate funds for the Shelby County, Tenn., river basin study have not been included in this bill, since it has not been the practice to carry separate amounts for individual projects under this program. The conferees agree that the Department should give consideration to the need for a river basin study in Shelby County, Tenn., in formulating the overall plan for inclusion in the 1967 budget.

In its report language affecting the Yazoo-Little Tallahatchie watersheds, it was the purpose of the House committee to point out that the intent of Congress in Public Law 712, 80th Congress, was to authorize the Secretary of Agriculture to carry out necessary work projects anywhere within the Yazoo-Little Tallahatchie River watersheds.

Amendment No. 16.—*Great Plains conservation program:* Appropriates $16,000,000 instead of $14,864,000 as proposed by the House and $17,432,000 as proposed by the Senate.

Amendments Nos. 17 and 18.—*Resource conservation and development:* Appropriate $4,303,000 as proposed by the Senate instead of $2,813,000 as proposed by the House, and provide $1,500,000 for loans as proposed by the Senate instead of $1,000,000 as proposed by the House. The conferees do not intend for this to become a large program or to replace or duplicate any of the existing programs of the Department.

Economic Research Service

Amendment No. 19.—*Salaries and expenses:* Appropriates $11,536,000 instead of $11,072,000 as proposed by the House and $11,591,000 as proposed by the Senate. The additional amounts agreed to include $44,000 for economic analysis of water management, $30,000 for economic analysis of exports and imports, $200,000 for a study of away-from-home markets to be fully matched by funds from industry sources, $40,000 for economic research on flowers and ornamentals to be fully matched by funds from the floral industry, and $150,000 for a study of egg pricing.

Statistical Reporting Service

Amendment No. 20.—*Salaries and expenses:* Appropriates $13,755,000 instead of $13,595,000 as proposed by the House and $13,875,000 as proposed by the Senate. The increase includes $40,000 for one-

half the cost of crop estimates on fruit, nuts, and vine crops in California and $120,000 for one-half the cost of issuing annual estimates on the mushroom crop and for full completion of the first phase of the long-range program for improving crop and livestock estimates.

Consumer and Marketing Service

Amendment No. 21.—*Consumer protective, marketing, and regulatory programs:* Appropriates $76,192,000 instead of $75,852,000 as proposed by the House and $76,412,000 as proposed by the Senate. The increase includes $240,000 for meat and poultry inspection and $100,000 for administration of the U.S. Warehouse Act.

Amendment No. 22.—*Payments to States and possessions:* Appropriates $1,750,000 instead of $1,500,000 as proposed by the House and $2,000,000 as proposed by the Senate.

Amendment No. 23.—*Special milk program:* Appropriates $103,000,000 instead of $100,000,000 as proposed by the House and $108,000,000 as proposed by the Senate.

Amendments Nos. 24 and 25.—*School lunch program:* Appropriate $157,000,000 as proposed by the Senate instead of $155,000,000 as proposed by the House. The additional $2,000,000 for distribution to needy schools under section 11 of the School Lunch Act is to be considered as an experimental program for the next year only and should not be considered a part of the regular permanent school lunch program.

Amendments Nos. 26 and 27.—*Food stamp plan:* Provide $100,000,000 for the next year, of which $20,000,000 is to be derived from prior year funds.

Agricultural Stabilization and Conservation Service

Amendments Nos. 28 and 29.—*Expenses:* Appropriate $126,278,500 instead of $111,714,000 as proposed by the House and $135,350,000 as proposed by the Senate, and limit the transfer of funds from Commodity Credit Corporation to $81,933,500 instead of $96,615,000 as proposed by the House and $75,390,000 as proposed by the Senate. Funds from both sources total $208,212,000 instead of $208,329,000 as proposed by the House and $210,740,000 as proposed by the Senate.

The conferees note the change in the administration of certain commodity loan programs, so as to eliminate handling by convenient local financial institutions and the requirement that disbursements be made through the county offices frequently at considerable inconvenience to the producer. The conferees take further note that the surety bond of county office personnel is limited to losses from fraud, dishonesty, culpable negligence, or breach of trust, and that facilities of county offices for protection of warehouse receipts are limited. The conferees call on the Secretary to restore the use of local financial institutions and to make certain that the Federal Government is protected against loss in the handling of the documents involved.

The conferees wish to reaffirm the statements contained in both House and Senate committee reports which call on the Department to retain present practices concerning skip-row planting of cotton. They agree that the elimination of such practice would increase production costs and would fail to utilize the results of extensive research in this area by the Department.

With new farm legislation just enacted, and with the many new problems related thereto, the conferees also agree that no changes should be made in prior year agricultural conservation program practices which would tend to increase costs of farm production. Any changes from the 1965 practices should be made only where requested by the local county committee and approved by the State committee. The committee recommends that full and complete information be submitted in the congressional hearings before changes in practices are proposed in the future.

Amendment No. 30.—*Cropland conversion program:* Appropriates $7,500,000 as proposed by the House instead of $10,000,000 as proposed by the Senate.

Amendment No. 31.—*Conservation reserve program:* Appropriates $146,000,000 as proposed by the Senate instead of $140,000,000 as proposed by the House.

Amendment No. 32.—*Emergency conservation measures:* Appropriates $24,000,000 instead of $4,000,000 as proposed by the House and $30,000,000 proposed by the Senate based on a supplemental estimate of $20,000,000 submitted subsequent to House consideration (S. Doc. 38).

Rural Community Development Service

Amendment No. 33.—*Salaries and expenses:* Appropriates $625,000 instead of $500,000 as proposed by the House and $750,000 as proposed by the Senate.

Office of Inspector General

Amendment No. 34.—*Salaries and expenses:* Appropriates $10,491,000 as proposed by the Senate instead of $10,416,000 as proposed by the House.

Office of General Counsel

Amendment No. 35.—*Salaries and expenses:* Appropriates $4,184,000 instead of $4,139,000 as proposed by the House and $4,229,000 as proposed by the Senate.

National Agricultural Library

Amendment No. 36.—*Salaries and expenses:* Appropriates $1,699,000 instead of $1,599,000 as proposed by the House and $1-, 865,000 as proposed by the Senate. The balance of the proposed expansion in library services has been deferred until the new library building is available.

Office of Management Services

Amendment No. 37.—*Salaries and expenses:* Appropriates $2,483,000 as proposed by the House instead of $2,500,000 as proposed by the Senate.

General Administration

Amendment No. 38.—*Salaries and expenses:* Eliminates Senate language earmarking $60,000 for agricultural services to Guam.

Rural Electrification Administration

Amendments Nos. 39 through 41.—*Loan authorizations:* Provide $365,000,000 for electrification loans instead of $350,000,000 as proposed by the House and $380,000,000 as proposed by the Senate, including a contingency reserve of $60,000,000, and place $15,000,000 of telephone loan funds in reserve as proposed by the Senate instead of $7,000,000 as proposed by the House.

Farmers Home Administration

Amendment No. 42.—*Rural housing grants and loans:* Eliminates $10,000,000 proposed by the Senate.

Amendment No. 43.—*Direct loan account:* Authorizes real estate loans of $75,000,000 as proposed by the Senate instead of $40,000,000 as proposed by the House.

Amendment No. 44.—*Rural housing for domestic farm labor:* Appropriates $3,000,000 instead of $2,000,000 as proposed by the House and $5,000,000 as proposed by the Senate.

Amendment No. 45.—*Rural housing for the elderly revolving fund:* Appropriates $2,500,000 as proposed by the House instead of $5,000,000 as proposed by the Senate.

Amendment Nos. 46 and 47.—*Salaries and expenses:* Appropriate $44,000,000 instead of $42,733,000 as proposed by the House and $44,692,000 as proposed by the Senate, and restore language prohibiting the use of funds for rural housing grants.

Federal Crop Insurance Corporation

Amendment Nos. 48 through 50.—*Administrative and operating expenses:* Appropriate $8,000,000 instead of $7,478,000 as proposed by the House and $8,478,000 as proposed by the Senate, authorize the use of $4,000,000 of premium income for administrative expenses instead of $4,138,000 as proposed by the House and $3,638,000 as proposed by the Senate, and restore language to permit the Federal Crop Insurance Corporation to borrow on a temporary basis not to exceed $250,000 from the Commodity Credit Corporation to meet indemnity payments under special or unusual circumstances.

Commodity Credit Corporation

Amendments Nos. 51 and 52.—*Reimbursement for net realized losses:* Appropriate $2,800,000,000 instead of $2,300,000,000 as proposed by the House and $3,226,800,000 as proposed by the Senate and restores House-approved language which eliminates cumulative interest charges on unreimbursed realized losses.

The conferees are of the opinion that future budget estimates for reimbursement appropriations for net realized losses of the Commodity Credit Corporation should include the full amount of the realized losses for any fiscal year as reflected in the accounts and shown in the report of the financial condition of such corporation as of the close of business of such fiscal year.

Amendment No. 53.—*Public Law 480:* Restores language which would appropriate separate amounts for each title of Public Law 480

as proposed by the Senate in lieu of a single amount as proposed by the House.

Amendment No. 54.—*Bartered materials for supplemental stockpile:* Eliminates entire appropriation pursuant to budget amendment (S. Doc. 38).

NATIONAL COMMISSION ON FOOD MARKETING

Amendment No. 55.—*Salaries and expenses:* Reported in technical disagreement. The managers on the part of the House intend to offer a motion to concur in the $1,500,000 proposed by the Senate with a proviso that $250,000 of this amount shall be used solely for preparation and submission of the final report and complete and final liquidation of the Commission's activities, including full salary and terminal leave payments, not later than June 30, 1966.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
W. R. HULL, JR.,
THOMAS G. MORRIS,
GEO. MAHON,
ROBERT H. MICHEL,
ODIN LANGEN,
FRANK T. BOW,
Managers on the Part of the House.

○

KIRWAN]. If he were present, he would vote "year." I voted "nay." I withdraw my vote and vote "present."

Mr. QUIE. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. LINDSAY]. If he were present, he would vote "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on S. 2300.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

CORRECTION OF VOTE

Mr. RESNICK. Mr. Speaker, on roll-call No. 377 I am recorded as not voting. I was present and voted "yea." I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SHIP MORTGAGE BONDS

Mr. DOWNING, on behalf of the gentleman from Maryland [Mr. GARMATZ] submitted the following conference report and statement on the bill (S. 2118) to amend sections 9 and 37 of the Shipping Act, 1916, and subsection O of the Ship Mortgage Act, 1920.

CONFERENCE REPORT (H. REPT. No. 1185)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2118) to amend sections 9 and 37 of the Shipping Act, 1916, and subsection O of the Ship Mortgage Act, 1920, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken by the House amendment and insert in lieu thereof the following:

"Nothing in this section shall be construed to alter retroactively any rights which were the subject matter of litigation pending on the date of enactment of this Act."

And the House agree to the same.

EDWARD A. GARMATZ,
THOMAS L. ASHLEY,
THOMAS N. DOWNING,
W. S. MAILLIARD,
THOMAS M. PELLY,
Managers on the Part of the House.

WARREN G. MAGNUSON,
E. L. BARTLETT,
WINSTON L. PROUTY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2118) to amend sections 9 and 37 of the Shipping Act, 1916, and subsection O of the Ship Mortgage Act, 1920, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The last sentence of section 4 of the Senate bill provided that "This section shall not apply to any bond, note, or other evidence of indebtedness, mortgage, or assignment if the validity of such bond, note, or other evidence of indebtedness, mortgage, or assignment, or the foreclosure, validity, or preferred status of such mortgage, is in litigation on the date of enactment of this Act.".

The House amendment struck from the Senate bill this sentence.

The proposed conference substitute would strike the last sentence of section 4 of the Senate bill and substitute in lieu thereof the following: "Nothing in this section shall be construed to alter retroactively any rights which were the subject matter of litigation pending on the date of enactment of this Act."

It is the position of the House conferees that this amendment is necessary to make it crystal clear that Congress does not intend to retroactively affect in any way rights in litigation pending on the date of enactment of this act. All conferees agreed that the bill must express the concern of Congress that this legislation not in any way prejudge pending litigation or attempt to influence its ultimate disposition.

The managers on the part of the House believe the proposed conference substitute achieves the objectives of both the Senate and House effectively and equitably.

EDWARD A. GARMATZ,
THOMAS L. ASHLEY,
THOMAS N. DOWNING,
WILLIAM S. MAILLIARD,
THOMAS M. PELLY,
Managers on the Part of the House.

LEGISLATIVE PROGRAM

(Mr. ARENDS asked and was given permission to address the House for 1 minute.)

Mr. ARENDS. Mr. Speaker, I take this time to ask the majority leader if he will advise us as to any changes in the program which may be anticipated.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The distinguished gentleman from Arkansas [Mr. HARRIS] has advised that he will call up, under unanimous consent, on Friday, S. 1098, to amend section 1(14)(a) of the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply, and for other purposes.

If the second supplemental appropriation bill comes over from the Senate subsequent to the commencement of special orders, we announce now that we will undertake to send it to conference.

Mr. ARENDS. May I ask the gentleman if there are any other changes in the program for tomorrow which he knows of?

Mr. ALBERT. We have listed for today, as the gentleman knows, a number of bills from the Committee on Ways and Means. The gentleman from Arkansas has advised that it is satisfactory to put those over until tomorrow.

We have another conference report today, so I am quite sure we will put over the Committee on Ways and Means bill until tomorrow.

Mr. ARENDS. I thank the gentleman.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield to me?

Mr. ARENDS. I yield to the distinguished gentleman from Virginia.

Mr. SMITH of Virginia. Mr. Speaker, at this point let me say I have earlier received permission to file two resolutions from the Committee on Rules by midnight tonight, by direction of that committee, providing travel authority for two committees of the House, one the Committee on Agriculture and the other the Committee on Banking and Currency. I understood I would be permitted to call them up tomorrow if time permitted.

Mr. ALBERT. Mr. Speaker, as far as the gentleman from Oklahoma is concerned, I have no knowledge of that, but I am glad to have that information available from the distinguished gentleman from Virginia. Also I may advise that tomorrow we may have a conference report which will be eligible and may be called up from the Committee on Merchant Marine and Fisheries. I am advised also that we may have some printing resolutions tomorrow. As far as I know, those are the only immediate changes in the program. May I say also that if the supplemental comes over tonight, as I stated before, we are going to send it to conference even though special orders have already commenced. If it is ready, it will be in order to call it up tomorrow. We would like to dispose of that bill early, because it is very important.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I wonder if it is possible for the leadership on the majority side to make any predictions as to the time when the House might be called upon to consider a sine die resolution.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, that is why we are trying to take extraordinary procedures in the consideration of bills and sending bills to conference. We are hoping we can adjourn very soon, and we will if we dispose of our business.

PERSONAL EXPLANATION

Mr. GOODELL. Mr. Speaker, the gentleman from California [Mr. BELL] was absent when the debate today occurred on the education bill. Had he been here, he would have voted for the higher education bill.

The SPEAKER. You mean the gentleman from New York is stating how another Member would have voted if he had been present?

Mr. GOODELL. At the request of Mr. BELL I am making this statement as to how he would have voted if he had been here.

The SPEAKER. The gentleman makes that statement on his own responsibility?

Mr. GOODELL. That is correct.

CORRECTION OF VOTE

Mr. YATES. Mr. Speaker, on rollcall No. 318 I am recorded as not voting. I was present and voted "aye." I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, FISCAL YEAR 1966

Mr. WHITTEN submitted the following conference report and statement on the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 1186)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8370) "making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 12, 26, 30, 37, 38, 42, 45, 47 and 52.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 10, 11, 13, 15, 17, 18, 24, 25, 31, 34, 41, 43, 53 and 54; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$123,622,500, of which not to exceed $11,418,000 shall remain available until expended for plans, construction, alteration, and improvement of facilities, without regard to limitations contained herein"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$18,100,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$74,299,500"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,500,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "; and not to exceed $400,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88–250 to be transferred and merged with this appropriation; $1,600,000 in addition to funds otherwise available"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$54,795,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$65,671,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$16,000,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,536,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$13,755,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$76,192,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,750,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$103,000,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$126,278,500"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$81,933,500"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$24,000,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$625,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,184,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,699,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreemcnt to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$365,000,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$60,000,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,000,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$44,000,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,000,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,000,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: ": *Provided,* That in the event the Federal Crop Insurance Corporation Fund is insufficient to meet indemnity payments and other charges against such Fund, not to exceed $250,000 may be borrowed from the Commodity Credit Corporation under such terms and conditions as the Secretary may prescribe, but repayment of such amount shall include interest at a rate not less than the cost of money to the Commodity Credit Corporation for a comparable period."; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,800,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 27 and 55.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
W. R. HULL, Jr.,
THOMAS G. MORRIS,
GEORGE MAHON,
ROBERT H. MICHEL,
ODIN LANGEN,
FRANK T. BOW,
Managers on the Part of the House.

SPESSARD L. HOLLAND,
RICHARD B. RUSSELL,
By S.L.H.
CARL HAYDEN,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments; namely:

DEPARTMENT OF AGRICULTURE

Agricultural Research Service

Amendments Nos. 1 and 2: Research: Appropriate $123,622,500 instead of $114,394,000 as proposed by the House and $124,369,800 as proposed by the Senate and provide for the transfer of $18,100,000 from section 32 funds instead of $24,600,000 as proposed by the House and $16,600,000 as proposed by the Senate.

The amounts agreed to include the sums approved by the House for cotton and pesticide research facilities, plus $500,000 for the Water Pollution Laboratory at Durant, Okla.; $500,000 for the Poultry Laboratory at Georgetown, Del.; $300,000 for plans for the Animal Research Center at Clay Center, Nebr. (total cost $3,750,000); and $339,000 for repairs and alterations at Beltsville, Md. They also include planning funds for the following facilities: U.S. Range Livestock Experiment Station, Miles City, Mont., $40,000 (total cost $521,000); Poultry Research Facilities, Glendale, Ariz., $50,000 (total cost $750,000); Southwest Great Plains Research Center, Bushland, Tex., $25,000 (total cost $350,000); Grain Marketing Research Laboratory, Manhattan, Kans., $225,000 (total cost $3,385,000); Cereal Rust Laboratory, University of Minnesota, $50,000 (total cost $650,000); National Sedimentation Laboratory, Oxford, Miss., $100,000 (total cost $1,035,000); Soil and Water Research Laboratory, Pendleton, Oreg., $45,000 (total cost $425,000); Pasture Research Laboratory, University Park, Pa., $40,000 (total cost $400,000); and Human Nutrition Laboratory, University of North Dakota, $50,000 (total cost $633,000).

Increased funds are also provided as follows: Acceleration of research at Chicasha, Okla., and Madison, S. Dak., $105,000; Research on salmonella to be conducted on a nationwide basis, $50,000; Mechanization research on dates, $45,000; staffing new laboratories and expanding research facilities, $144,600; additional labor, subprofessional and junior scientific help, $1,000,000; Clay Center, Nebr., $100,000; research on wool fineness, University of Wyoming, $70,000; and $225,000 each for the Southeast and Northeast hydrology research watersheds at Athens, Ga., and State College, Pa.

Funds in the amount of $224,700 are provided to continue activities of the Food Wholesaling and Retailing Branch. The conferees believe it be unsound to announce closing of research stations or other major research reductions in advance of committee hearings and request that in the future formal presentations be made prior to any such announcements.

Amendments No. 3 and 4: Plant and animal disease and pest control: Appropriate $74,299,500 instead of $71,119,000 as proposed by the House and $75,060,000 as proposed by the Senate. The increase over the House bill includes the following: Plant quarantine inspection, $182,500; Animal quarantine inspection, $128,000; Virus-Serum-Toxin Act, $50,000; Fire Ant eradication, $770,000; Cereal Leaf Beetle, $750,000; Hog Cholera eradication, $230,000; and screwworm survey in Mexico, $70,000.

The bill includes $2,806,200 for the maintenance of a barrier zone to protect the screwworm freed areas of Texas and New Mexico and other parts of the country from future infestations from Mexico. The bill also provides $1,000,000 for eradication activities in Arizona, $600,000 of which will be matched by funds from other sources, incident to the extension of the barrier zone to the west coast. The Department should plan, conduct and finance the Federal portion of the cost of barrier zone operations within the funds provided. The policy of requiring matching by State and local sources of funds expended for the production, irradiation and release of flies used to eradicate infestations within the areas involved is expected to be continued.

The cereal leaf beetle presents a serious threat to production of cereal grains in the United States. The host crops susceptible to attack by this pest are grown in all of the States and have an estimated value of $7 billion. It is essential that steps be taken to prevent further spread from the presently infested States of Indiana, Michigan, and Ohio, which States are expected to cooperate in financing eradication measures.

The conferees expect that the full amount of $3,270,000 appropriated in this bill will be required for the conduct of the cooperative fire ant eradication program and will be used only for that purpose.

Amendment No. 5: Special foreign currency program: Appropriates $3,000,000 instead of $2,000,000 as proposed by the House and $4,000,000 as proposed by the Senate.

Cooperative State Research Service

Amendments No. 6 through 9: Payments and expenses: Appropriate $54,795,000 instead of $51,695,000 as proposed by the House and $55,695,000 as proposed by the Senate, including increases of $1,000,000 for Hatch Act pay adjustments, $500,000 for grants for forestry research, and $1,600,000 for grants for basic research, and restore House language authorizing the transfer of $400,000 from Section 32 funds for basic research grants.

Extension Service

Amendments No. 10 and 11: Payments to States and Puerto Rico: Appropriate $75,600,000 as proposed by the Senate instead of $72,800,000 as proposed by the House.

Farmer Cooperative Service

Amendment No. 12: Salaries and expenses: Appropriates $1,141,000 as proposed by the House instead of $1,241,000 as proposed by the Senate.

Soil Conservation Service

Amendment No. 13: Conservation operations: Appropriates $106,373,000 as proposed by the Senate instead of $105,373,000 as proposed by the House.

Amendments Nos. 14 and 15: Watershed protection: Appropriate $65,671,000 instead of $64,171,000 as proposed by the House and $65,746,000 as proposed by the Senate; and provide loan funds of $5,500,000 as proposed by the Senate instead of $4,000,000 as proposed by the House.

Separate funds for the Shelby County Tennessee river basin study have not been included in this bill, since it has not been the practice to carry separate amounts for individual projects under this program. The conferees agree that the Department should give consideration to the need for a river basin study in Shelby County, Tennessee in formulating the overall plan for inclusion in the 1967 budget.

In its report language affecting the Yazoo-Little Tallahatchie watersheds, it was the purpose of the House Committee to point out that the intent of Congress in Public Law 712, 80th Congress, was to authorize the Secretary of Agriculture to carry out necessary work projects anywhere within the Yazoo-Little Tallahatchie river watersheds.

Amendment No. 16: Great Plains Conservation Program: Appropriates $16,000,000 instead of $14,864,000 as proposed by the House and $17,432,000 as proposed by the Senate.

Amendments Nos. 17 and 18: Resource conservation and development: Appropriate $4,303,000 as proposed by the Senate instead of $2,813,000 as proposed by the House, and provide $1,500,000 for loans as proposed by the Senate instead of $1,000,000 as proposed by the House. The conferees do not intend for this to become a large program or to replace or duplicate any of the existing programs of the Department.

Economic Research Service

Amendment No. 19: Salaries and expenses: Appropriates $11,536,000 instead of $11,072,000 as proposed by the House and $11,591,000 as proposed by the Senate. The additional amounts agreed to include $44,000 for economic analysis of water management, $30,000 for economic analysis of exports and imports, $200,000 for a study of away-from-home markets to be fully matched by funds from industry sources, $40,000 for economic research on flowers and ornamentals—to be fully matched by funds from the floral industry, and $150,000 for a study of egg pricing.

Statistical Reporting Service

Amendment No. 20: Salaries and expenses: Appropriates $13,755,000 instead of $13,595,000 as proposed by the House and $13,875,000 as proposed by the Senate. The increase includes $40,000 for one-half the cost of crop estimates on fruit, nuts and vine crops in California and $120,000 for one-half the cost issuing annual estimates on the mushroom crop and for full completion of the first phase of the long-range program for improving crop and livestock estimates.

Consumer and Marketing Service

Amendment No. 21: Consumer protective, marketing, and regulatory programs: Appropriates $76,192,000 instead of $75,852,000 as proposed by the House and $76,412,000 as proposed by the Senate. The increase includes $240,000 for meat and poultry inspection and $100,000 for administration of the U.S. Warehouse Act.

Amendment No. 22: Payments to States and possessions: Appropriates $1,750,000 instead of $1,500,000 as proposed by the House and $2,000,000 as proposed by the Senate.

Amendment No. 23: Special Milk Program: Appropriates $103,000,000 instead of $100,000,000 as proposed by the House and $108,000,000 as proposed by the Senate.

Amendments No. 24 and 25: School Lunch Program: Appropriates $157,000,000 as proposed by the Senate instead of $155,000,000 as proposed by the House. The additional $2,000,000 for distribution to needy schools under Section 11 of the School Lunch Act is to be considered as an experimental program for the next year only and should not be considered a part of the regular permanent school lunch program.

Amendments No. 26 and 27: Food Stamp Plan: Provide $100,000,000 for the next year, of which $20,000,000 is to be derived from prior year funds.

Agricultural Stabilization and Conservation Service

Amendments No. 28 and 29: Expenses: Appropriate $126,278,500 instead of $111,714,000 as proposed by the House and $135,350,000 as proposed by the Senate, and limit the transfer of funds from Commodity Credit Corporation to $81,933,500 instead of $96,615,000 as proposed by the House and $75,390,000 as proposed by the Senate. Funds from both sources total $208,212,000 instead of $208,329,000 as proposed by the House and $210,740,000 as proposed by the Senate.

The conferees note the change in the administration of certain commodity loan programs, so as to eliminate handling by convenient local financial institutions and the requirement that disbursements be made through the County offices frequently at considerable inconvenience to the producer. The conferees take further note that the surety bond of County office personnel is limited to losses from fraud, dishonesty, culpable negligence or breach of trust, and that facilities of County offices for protection of warehouse receipts are limited. The conferees call on the Secretary to restore the use of local financial institutions and to make certain that the Federal government is protected against loss in the handling of the documents involved.

The conferees wish to reaffirm the statements contained in both House and Senate Committee reports which call on the Department to retain present practices concerning skip-row planting of cotton. They agree that the elimination of such practice would increase production costs and would fail to utilize the results of extensive research in this area by the Department.

With new farm legislation just enacted, and with the many new problems related thereto, the conferees also agree that no changes should be made in prior year Agricultural Conservation Program practices which would tend to increase costs of farm production. Any changes from the 1965 practices should be made only where requested by the local county committee and approved by the State committee. The Committee recommends that full and complete information be submitted in the Congressional hearings before changes in practices are proposed in the future.

Amendment No. 30: Cropland Conversion Program: Appropriates $7,500,000 as proposed by the House instead of $10,000,000 as proposed by the Senate.

Amendment No. 31: Conservation Reserve Program: Appropriates $146,000,000 as proposed by the Senate instead of $140,000,000 as proposed by the House.

Amendment No. 32: Emergency Conservation Measures: Appropriates $24,000,000 instead of $4,000,000 as proposed by the House and $30,000,000 proposed by the Senate based on a supplemental estimate of $20,000,000 submitted subsequent to House consideration (S. Doc. 38).

Rural Community Development Service

Amendment No. 33: Salaries and expenses: Appropriates $625,000 instead of $500,000 as proposed by the House and $750,00 as proposed by the Senate.

Office of Inspector General

Amendment No. 34: Salaries and expenses: Appropriates $10,491,000 as proposed by the Senate instead of $10,416,000 as proposed by the House.

Office of General Counsel

Amendment No. 35: Salaries and expenses: Appropriates $4,184,000 instead of $4,139,000 as proposed by the House and $4,229,000 as proposed by the Senate.

National Agricultural Library

Amendment No. 36: Salaries and expenses: Appropriates $1,699,000 instead of $1,599,000 as proposed by the House and $1,865,000 as proposed by the Senate. The balance of the proposed expansion in library services has been deferred until the new library building is available.

Office of Management Services

Amendment No. 37: Salaries and expenses: Appropriates $2,483,000 as proposed by the House instead of $2,500,000 as proposed by the Senate.

General Administration

Amendment No. 38: Salaries and expenses: Eliminates Senate language earmarking $60,000 for agricultural services to Guam.

Rural Electrification Administration

Amendments No. 39 through 41: Loan authorizations: Provide $365,000,000 for electrification loans instead of $350,000,000 as proposed by the House and $380,000,000 as proposed by the Senate, including a contingency reserve of $60,000,000 and place $15,000,000 of telephone loan funds in reserve as proposed by the Senate instead of $7,000,000 as proposed by the House.

Farmer's Home Administration

Amendment No. 42: Rural housing grants and loans: Eliminates $10,000,000 proposed by the Senate.

Amendment No. 43: Direct loan account: Authorizes real estate loans of $75,000,000 as proposed by the Senate instead of $40,000,000 as proposed by the House.

Amendment No. 44: Rural housing for domestic farm labor: Appropriates $3,000,000 instead of $2,000,000 as proposed by the House and $5,000,000 as proposed by the Senate.

Amendment No. 45: Rural housing for the elderly revolving fund: Appropriates $2,500,000 as proposed by the House instead of $5,000,000 as proposed by the Senate.

Amendments No. 46 and 47: Salaries and expenses: Appropriate $44,000,000 instead of $42,733,000 as proposed by the House and $44,692,000 as proposed by the Senate, and restore language prohibiting the use of funds for rural housing grants.

Federal Crop Insurance Corporation

Amendments No. 48 through 50: Administrative and operating expenses: Appropriate $8,000,000 instead of $7,478,000 as proposed by the House and $8,478,000 as proposed by the Senate, authorize the use of $4,000,000 of premium income for administrative expenses instead of $4,138,000 as proposed by the House and $3,638,000 as proposed by the Senate, and restore language to permit the Federal Crop Insurance Corporation to borrow on a temporary basis not to exceed $250,000 from the Commodity Credit Corporation to meet indemnity payments under special or unusual circumstances.

Commodity Credit Corporation

Amendments No. 51 and 52: Reimbursement for net realized losses: Appropriate $2,800,000,000 instead of $2,300,000,000 as proposed by the House and $3,226,800,000 as proposed by the Senate and restores House approved language which eliminates cumulative interest charges on unreimbursed realized losses.

The conferees are of the opinion that future budget estimates for reimbursement appropriations for net realized losses of the Commodity Credit Corporation should include the full amount of the realized losses for any fiscal year as reflected in the accounts and shown in the report of the financial condition of such corporation as of the close of business of such fiscal year.

Amendment No. 53: Public Law 480: Restores language which would appropriate separate amounts for each title of P.L. 480 as proposed by the Senate in lieu of a single amount as proposed by the House.

Amendment No. 54: Bartered materials for supplemental stockpile: Eliminates entire appropriation pursuant to budget amendment (S. Doc. 38).

National Commission on Food Marketing

Amendment No. 55: Salaries and expenses: Reported in technical disagreement. The managers on the part of the House intend to offer a motion to concur in the $1,500,000 proposed by the Senate with a proviso that $250,000 of this amount shall be used solely for preparation and submission of the final report and complete and final liquidation of the Commission's activities, including full salary and terminal leave payments, not later than June 30, 1966.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
W. R. HULL, JR.
THOMAS G. MORRIS,
GEORGE MAHON,
ROBERT H. MICHEL,
ODIN LANGEN,
FRANK T. BOW,
Managers on the Part of the House.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of October 20, 1965.)

Mr. WHITTEN. Mr. Speaker, we bring to the Members of the House the conference report for the appropriation bill for the U.S. Department of Agriculture and related agencies for the 1966 fiscal year. Due consideration has been given in the figures contained herein to the fact that we have been operating under a continuing resolution for about 4 months.

Mr. Speaker, I am glad to say that the conference report we have here has been signed by all the conferees, both for the House and the Senate. I wish to thank the House conferees for their cooperation and assistance in working out the final conference settlement.

While the sum total of the figures in the bill are high, relatively, we feel we have held them in line with other agencies of Government, particularly in view of the fact that food, clothing, and shelter still remain the basic essentials of life and represent the best buy that the American people have.

Mr. Speaker, in this bill the regular activities total carries $1,685,251,500. This represents an increase of $51 million over the House figure and is $28.5 million under the figure of the other body. The total in the bill is $6,242,929,500. This is approximately $40 million under the budget and is about $471 million under the figure of the other body. It is over the House figure by about $525 million.

However, Mr. Speaker, subsequent to our going to conference the financial position of the Commodity Credit Corporation was reviewed and the Bureau of the Budget today sent down a request for an additional $500 million to meet its needs. This is the major item in the increase over the House bill. It will not be expended except in line with the requirements of the Commodity Credit Corporation which it is directed to carry out by law. This we felt was sound business in that it would probably prevent the Congress from having to consider a supplemental request or a deficiency early in the next session.

Again, Mr. Speaker, we have tried to give proper attention to the various research needs, the price support program, the extension service, meat inspection, soil conservation, and other programs, particularly with respect to those phases of the activities of the Department that have to do with the health and the protection of the consumer.

The amounts agreed to for research include the sums approved by the House for cotton and pesticide research facilities, plus $500,000 for the Water Pollution Laboratory at Durant, Okla.; $500,000 for the Poultry Laboratory at Georgetown, Del.; $300,000 for plans for the Animal Research Center at Clay Center, Nebr.—total cost $3,750,000; and $339,000 for repairs and alterations at Beltsville, Md. They also include planning funds for the following facilities: U.S. Range Livestock Experiment Station, Miles City, Mont., $40,000—total cost $521,000; Poultry Research Facilities, Glendale, Ariz., $50,000—total cost $750,000; Southwest Great Plains Research Center, Bushland, Tex., $25,000—total cost $350,000; Grain Marketing Research Laboratory, Manhattan, Kans., $225,000—total cost $3,385,000; Cereal Rust Laboratory, University of Minnesota, $50,000—total cost $650,000; National Sedimentation Laboratory, Oxford, Miss., $100,000—total cost $1,035,000; Soil and Water Research Laboratory, Pendleton, Ore., $45,000—total cost $425,000; Pasture Research Laboratory, University Park, Pa., $40,000—total cost $400,000; and Human Nutrition Laboratory, University of North Dakota, $50,000—total cost $633,000.

Increased funds are also provided for acceleration of reasearch at Chickasha, Okla. and Madison, S. Dak., $105,000; research on salmonella to be conducted on a nationwide basis, $50,000; mechanization research on dates, $45,000; staffing new laboratories and expanding research facilities, $144,600; additional labor, subprofessional and junior scientific help, $1 million; Clay Center, Nebr., $100,000; research on wool fineness, University of Wyoming, $70,000; and $225,000 each for the Southeast and Northeast hydrology research watersheds at Athens, Ga. and State College, Pa.

I would also like to refer to several items contained in the conference report which were the subject of special consideration by the conferees.

The bill includes $2,806,200 for the maintenance of a barrier zone to protect the screw-worm freed areas of Texas and New Mexico and other parts of the country from future infestations from Mexico. The bill also provides $1 million for eradication activities in Arizona, $600,000 of which will be matched by funds from other sources, incident to the extension of the barrier zone to the west coast. The policy of requiring matching by State and local sources of funds expended for the production, irradiation, and release of flies used to eradicate infestations within the areas involved is expected to be continued.

Mr. Speaker, the conferees also reaffirmed the statements contained in both House and Senate committee reports which call on the Department to retain present practices concerning skip-row planting of cotton. They agreed that the elimination of such practice would increase production costs and would fail to utilize the results of extensive research in this area by the Department.

The conferees also agreed that no changes should be made in prior year agricultural conservation program practices which would tend to increase costs of farm production. They felt that any changes from the 1965 practices should be made only where requested by the local county committee and approved by the State committee and recommended that full and complete information be submitted in the congressional hearings before changes in practices are proposed in the future.

The conference report also called attention to the fact that, in its report language affecting the Yazoo-Little Tallahatchie watersheds, it was the purpose of the House committee to point out that the intent of Congress in Public Law 712, 80th Congress, was to authorize the Secretary of Agriculture to carry out necessary work projects anywhere within the Yazoo-Little Tallahatchie River watersheds.

In addition, the conferees, noted the change in the administration of certain commodity loan programs, so as to eliminate handling by convenient local financial institutions and the requirement that disbursements be made through the county offices frequently at considerable inconvenience to the producer. The conferees further noted that the surety bond of county office personnel is limited to losses from fraud, dishonesty, culpable negligence or breach of trust, and that facilities of county offices for protection of warehouse receipts are limited. The conferees call on the Secretary to restore the use of local financial institutions and to make certain that the Federal Government is protected against loss in the handling of the documents involved.

Mr. Speaker, last week we considered the 1966 supplemental appropriation bill (H.R. 11588) in which $2 million additional was included for meat inspection. In the report on that bill we pointed out that in February 1965, meat inspection and poultry inspection activities were brought together under this agency for the purpose of better coordination and reduction of supervisory costs. We stated further that the committee is of the view that under present conditions consolidations below the supervisory level would not be best for the public, the service, or the industry, and for that reason should not be made.

Also in connection with the supplemental bill, the committee took note of the passage of the rural water and sanitation facilities legislation which authorizes the Secretary of Agriculture to provide assistance to nonprofit public and quasi-public agencies and corporations for water supply, water systems, and waste disposal systems in rural areas. While it did not have a budget estimate upon which to act, the committee recognized the need for and value of such program.

I would like to repeat that this conference report before you today represents a reasonable settlement between the amounts approved by the House and Senate. A summary table of the 1965 appropriations, 1966 budget estimates, amounts approved by the House and Senate, and final conference action, appears below:

Departments of Agriculture and related agencies appropriation bill, 1966

Item	1965 appropriation	1966 budget estimate	Passed House	Passed Senate	Conference action	Conference action compared with—			
						1965 appropriation	Budget estimate	House	Senate
Title I, general activities	1,565,032,200	1,707,486,000	1,633,693,000	1,713,835,800	1,685,251,500	+120,219,300	−22,234,500	+51,558,500	−28,584,300
Title II, credit agencies	59,367,000	79,626,000	60,367,000	77,826,000	62,634,000	+3,267,000	−16,992,000	+2,267,000	−15,192,000
Title III, corporations	5,173,629,000	[1] 4,494,022,000	4,023,022,000	4,920,822,000	4,493,544,000	−680,085,000	−478,000	+470,522,000	−427,278,000
Title IV, related agencies	700,000	1,500,000	750,200	1,500,000	1,500,000	+800,000	----------	+750,000	----------
Appalachian regional development	28,320,000	----------	----------	----------	----------	−28,320,000	----------	----------	----------
Grand total, appropriations	6,827,048,200	6,282,634,000	5,717,382,000	6,713,983,800	6,242,929,500	−584,118,700	−39,704,500	+525,097,500	−471,054,300
Loan authorization	795,000,000	787,000,000	787,000,000	852,000,000	837,000,000	+42,000,000	+50,000,000	+50,000,000	−15,000,000

[1] Includes $500,000,000 budget amendment submitted on Oct. 20 (subsequent to passage of bill by House and Senate and while pending in conference).

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Illinois [Mr. MICHEL].

(Mr. MICHEL asked and was given permission to revise and extend his remarks, and include extraneous matter.)

Mr. MICHEL. Mr. Speaker, I am supporting the conference report. As the chairman of our subcommittee indicated, while it may be somewhat distressing to some to learn this conference report is $525,097,500 over the bill passed by the House, the chairman has pretty well pointed out that the Senate bill was $926 million over our bill, in the main to restore net realized losses of the Commodity Credit Corporation. We did not feel we should go along with such a big amount if it was not altogether needed. You will realize that to restore a net realized loss you have already, in effect, spent the money, and this simply restores the capital structure of the Commodity Credit Corporation. I shall place in the RECORD the President's letter together with Budget Bureau's official supplemental request for an additional half billion dollars just received. I am convinced, Mr. Speaker, that if we do not do it now, sure as you are born when we come back in January we will have a request for either this amount or a bigger amount.

In January of this year you will recall we had the supplemental request for the fiscal year 1965 for the Agriculture Department for $1.6 billion to restore to CCC account for net realized losses.

The breakdown in title I reflects a $51,558,500 increase over the House bill. I would point out that $20 million of this has to do with that west coast conservation emergency measure passed earlier in the year. The balance is for research, extension, soil conservation, watershed protection, meat and poultry inspection, and other items.

In title II the report shows an increase of $2,267,000 over the House bill. This involves the two items of migrant labor and FHA salaries and expenses.

Under title III we have pretty well discussed the increase for Commodity Credit Corporation. While the conference report shows $470,522,000, the Senate took out an additional $30 million over the House reduction in the barter program which wipes out the program altogether. In agreeing with the Senate's further reduction of $30 million in the barter program, and with the supplemental request of $500 million added we arrive at the figure of $470,522,000 increase in this overall item in the conference report over the amount appearing in the House bill.

The letter and request mentioned above follow:

THE WHITE HOUSE,
Washington, October 20, 1965.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress a proposed supplemental appropriation for the fiscal year 1966 in the amount of $500 million for the Department of Agriculture.

The details of this proposed appropriation, the necessity therefor. and the reason for its submission at this time are set forth in the attached letter from the Director of the Bureau of the Budget, with whose comments and observations thereon I concur.

Respectfully yours,

LYNDON B. JOHNSON.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a proposed supplemental appropriation for the fiscal year 1966 in the amount of $500 million for the Department of Agriculture, as follows:

"DEPARTMENT OF AGRICULTURE, COMMODITY CREDIT CORPORATION—REIMBURSEMENT FOR NET REALIZED LOSSES

"For an additional amount to reimburse the Commodity Credit Corporation for unreimbursed net realized losses sustained but not previously reimbursed, pursuant to the act of August 17, 1961 (15 U.S.C. 713a–11, 713a–12), $500 million."

This proposed supplemental appropriation is to provide needed funds to carry out the mandatory price support programs of the Commodity Credit Corporation. The funds would partially reimburse the Corporation for price support and related losses realized through the fiscal year 1964.

Based on latest estimates of record crop production it appears that the amount previously requested for the Corporation will not be adequate to finance price support operations during the remainder of the fiscal year.

I recommend that the foregoing proposed supplemental appropriation be transmitted to the Congress.

Respectfully yours,

CHARLES L. SCHULTZE,
Director of the Bureau of the Budget.

In title IV under related agencies, there is an item of $750,000 over the House bill for the Food and Marketing Commission. This will fully fund the activities of that Commission. We require that they do come through on the appointed closing date with a final report.

In the loan authorization there is an item of $50 million over the House bill. Twenty million dollars of this is in rural housing. The other $30 million reflects itself in increases in the REA. To give you a quick summary of what the situation is with respect to the REA, in the House bill, in this year's bill we appropriated $350 million for the REA and included in that $350 million was $65 million for the contingency fund. The Senate voted $380 million for the REA with a $50 million contingency. We compromised on the $365 million figure with $60 million of that for the contingency. I would point out to the Members, this is exactly the amount of money appropriated last year for the REA, $365 million, although last year we retained $90 million rather than $60 million in the contingency.

In the rural telephone account, both the House and Senate agreed on the $97 million figure. While the House bill had $7 million in the contingency, the Senate earmarked $15 million for contingency and the conferees stayed with the Senate figure. So all in all, Mr. Speaker, I am glad we are able to come to an agreement even in this late closing hour of this session. I support the conference report and I would urge all Members to do likewise.

Mr. Speaker, the following table gives some measure of comparative figures for initial budget requests to fund the Department of Agriculture's activities, the net expenditures by fiscal year, new obligational authority, and changes between the years from 1951 through 1965.

Department of Agriculture and related agencies, new obligational authority (NOA)

[In millions of dollars]

Fiscal year	Initial NOA request [1]	Net budget expenditures	Enacted NOA [1]	Change between initial NOA request and enacted NOA in previous year	Change in enacted NOA from previous year
1951	1,670.3	649.8	1,408.0		
1952	1,682.0	1,151.2	1,886.9	+274.0	+478.9
1953	1,525.5	3,217.2	1,509.5	−361.4	−377.4
1954	1,659.2	2,917:1	4,283.2	+149.7	+2,773.7
1955	2,935.3	4,636.5	2,840.8	−1,347.9	−1,442.4
1956	1,515.6	5,176.8	3,597.6	−1,325.2	+756.8
1957	3,150.2	5,005.9	6,985.6	−447.4	+2,488.0
1958	5,157.6	4,874.9	6,796.1	−928.0	+710.5
1959	4,106.6	7,091.4	5,925.8	−2,689.5	−870.3
1960	5,514.5	5,418.9	5,683.5	−411.3	−242.3
1961	5,081.4	5,929.4	5,559.5	−602.1	−124.0
1962	5,509.0	6,668.7	7,409.7	−50.5	+1,850.2
1963	6,426.0	7,735.3	8,031.7	−983.7	+622.0
1964	8,144.5	7,896.9	8,051.6	+112.8	+19.9
1965	5,956.0	[2] 7,330.0	[2] 8,289.9	−2,095.6	+238,3

[1] From the budget of the United States 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966.

[2] From preliminary Treasury Department budgetary appropriations and other authorizations, expenditures, and unexpended balances for the fiscal year ended June 30, 1965.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 27. Page 18, line 10, insert:

"*Provided*, That, in addition, not more than $20,000,000 of the amount appropriated under this head for the previous fiscal year may be transferred to and merged with this appropriation."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 27 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following: ", of which $20,000,000 shall be derived from amounts appropriated under this head for the previous fiscal year, which amount shall be transferred to and merged with this appropriation."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 55. Page 38, line 5, strike out "$750,000" and insert "$1,500,000".

Mr. WHITTEN. Mr. Speaker, at this point I yield myself such time as I may require and yield to the distinguished gentleman from Texas, the chairman of the Committee on Appropriations, and one of the conferees.

Mr. MAHON. Mr. Speaker, I wish to commend the gentleman from Mississippi [Mr. WHITTEN] and the gentleman from Illinois [Mr. MICHEL] and the entire subcommittee for the good work they have done on this very difficult bill.

May I call special attention to the following language in the statement of the managers:

The conferees wish to reaffirm the statements contained in both House and Senate committee reports which call on the Department to retain present practices concerning skip-row planting of cotton. They agree that the elimination of such practice would increase production costs and would fail to utilize the results of extensive research in this area by the Department.

With new farm legislation just enacted, and with the many new problems related thereto, the conferees also agree that no changes should be made in prior year agricultural conservation program practices which would tend to increase costs of farm production. Any changes from the 1965 practices should be made only where requested by the local county committee and approved by the State committee. The committee recommends that full and complete information be submitted in the congressional hearings before changes in practices are proposed in the future.

I wish to join Mr. WHITTEN, chairman of the subcommittee in insisting that the Department follow the statement of the managers in the foregoing matters.

The skip-row practice to which reference has been made is absolutely vital in certain areas of the Cotton Belt and the agricultural conservation program is vital to farmers throughout the Nation.

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 55 and concur therein with an amendment, as follows:

In lieu of the matter stricken out and inserted by said amendment, insert the following: "$1,500,000, of which $250,000 shall be available solely for preparation and submission of the final report and complete and final liquidation of the Commission's activities not later than June 30, 1966."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks on the conference report and include certain tables.)

GENERAL LEAVE TO EXTEND

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill, H.R. 8370.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

I DO NOT LIKE DEMONSTRATIONS

(Mr. SIKES asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, it was an extremely disagreeable thing to me to see the recent wave of demonstrations against U.S. involvement in Vietnam. America has been shamed by the spectacle of organized treason and blatant cowardice which we have witnessed. It should be obvious that nationwide demonstrations do not just happen. There is careful planning and organization back of it, and certainly it is Communist inspired. The press has played up pictures of young punks tearing up or burning draft cards. This sort of thing is encouraged by half-baked professors and Communist sympathizers, as well as by professional agitators.

Fortunately, such demonstrations involve an extremely small percentage of college students, but they make noise and attract attention. I am highly gratified to note that the administration has ordered the FBI to crack down on the ringleaders. The right of peaceful assembly envisions responsible and loyal Americans assembled together in righteous indignation against the elements of oppression and injustices; not a lot of crackpots who have little comprehension of world problems or American responsibilities. America needs a solid and unified front before the world. We cannot allow the American image to be dimmed and distorted by spectacles such as we have witnessed.

More than a crackdown is needed. We should be witnessing a tremendous outpouring of patriotism from the campuses of the Nation. University officials should be leading a crusade for America to give students an opportunity to show that the very great majority of them are sincere and patriotic young Americans who love this country and who refuse to be involved in the things we have witnessed.

RESTORE RENT SUPPLEMENTS

(Mr. BARRETT asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include a letter sent to the committee.)

Mr. BARRETT. Mr. Speaker, I was most pleased to see the editorial in yesterday's New York Times urging the Senate Appropriations Committee to restore the full $30 million in rent supplement payments requested by the administration. The editorial reads as follows:

RESTORE RENT SUBSIDIES

In a surprise move, the House last week voted to kill the funds needed to start the new rent subsidy program for low-income families. The House Appropriations Committee had already reduced the figure far below the administration's request. Since the House had its opportunity to vote on the substantive merits of the program when it approved the housing bill, it was irresponsible and demagogic for opponents to exploit a vote on a routine money bill in order to reverse that decision.

We urge the Senate Appropriations Committee to restore the full $30 million requested by the administration. Rent subsidies are a promising innovation. They deserve a full and fair trial.

Mr. Speaker, the adoption of the Harvey amendment on the House floor last Thursday was most regrettable. Despite the fact that the House early in the year in a close battle had worked its will to authorize a rent supplement program and despite the further fact that the Appropriations Committee had drastically slashed the $30 million authorization for the first year to $6 million, the foes of this promising new program were able to mount a successful ambush.

The ammunition used by the supporters of the Harvey amendment was drawn from preliminary regulations issued by the agency which were purely tentative and distributed for discussion purposes and to stimulate early interest from prospective sponsors The members of the House will recall certain hypothetical "horror cases" the opposition dreamed up to argue that the benefits of the rent supplement program could in some cases go to families with very substantial assets.

Mr. Speaker, I would like to stress to my colleagues in the House on both sides of the aisle that because of apparent misunderstanding or misinterpretation these purely tentative regulations have in effect been withdrawn and I am confident they will be revised to make certain that the benefits of the rent supplement program are available only to families and individuals in the public housing income group and will rule out those with any substantial amounts of liquid assets. The attached letter sent on Monday by the FHA Commissioner clearly emphasizes the tentative and preliminary nature of the original regulations and that substantial revisions will be made before they are issued in final form.

Mr. Speaker, it is my deepest hope that the Senate will be able to restore a substantial amount of funds to launch the rent supplement program and that the final conference report will contain such funds. This program which would harness the resources of private enterprise

and private capital to provide housing for low-income families is a crucial part of President Johnson's attack on urban problems and the Congress must not let him down.

The letter follows:

FEDERAL HOUSING ADMINISTRATION,
Washington, D.C., October 18, 1965.

To: All approved mortgagees.
Subject: Rent supplement program.

In the rent supplement program letter 65–11 which was distributed on September 28, 1965, it was emphasized that the material was being supplied so that preliminary discussions could be held with sponsors and other prospective participants. It also was to afford an opportunity for review within and outside the Agency so that the feasibility of the requirements and procedures could be reviewed and considered. This was because the program cannot be made operative until funding is authorized.

None of the distributed regulations or procedures should be considered as effective or governing. As a result of comment and suggestions received, appropriate revisions will be made to strengthen various provisions. In the event funding is provided the necessary regulations and instructions will be issued in final form.

Sincerely,

PHILIP N. BROWNSTEIN,
Commissioner.

SOVIET UNION PRACTICING A POLICY OF ANTI-SEMITISM

(Mr. FARBSTEIN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. FARBSTEIN. Mr. Speaker, for some time now we have been aware that the Soviet Union, despite its denials, has been practicing—consciously and deliberately—a policy of anti-Semitism. We have been uncertain about its reasons, although it would seem clear that Moscow is seeking to impose a terrible uniformity upon its citizens, while at the same time currying favor with the Arab countries. This week there occurred at the United Nations an incident which, in my view, exposes to the entire world the Soviet Union's hypocrisy. I see no means now for Moscow to deny that it has embraced the heinous doctrines that it fought so well in the war that ended only 20 years ago.

I am proud that in performing an act of great righteousness our own Government exposed the Soviet hypocrisy. On October 8, the United States introduced an amendment to the draft convention on the elimination of all forms of racial discrimination. The U.S. amendment reads:

States parties condemn anti-Semitism and shall take action as appropriate for its speedy eradication in the territories subject to its jurisdiction.

It was not easy, Mr. Speaker, for the United States to introduce that amendment. There are many countries besides the Soviet Union that do not sympathize with efforts to erase anti-Semitism from the earth. Political expediency might have demanded that the United States remain silent. That we did not remain silent merits the commendation of this House. The United States took a courageous stand.

I might note that, once it was submitted, the Arab countries did put pressure on the United States to withdraw the amendment. These countries rarely miss an opportunity to fan the flames of anti-Semitic hatred. But the United States stood firm. Ambassador Goldberg personally assured me that we will not withdraw our proposal, but will, on the contrary, do everything possible to press its consideration to a successful conclusion.

But barely had the United States introduced its amendment when the Soviet Union sought to change it. I read the text of the alternate Soviet proposal:

States parties condemn anti-Semitism, zionism, nazism, neo-nazism and all other forms of the policy and ideology of colonialism, national and race hatred and exclusiveness and shall take action as appropriate for the speedy eradication of those inhuman ideas and practices in the territories subject to their jurisdiction.

Can you imagine, Mr. Speaker, such an outrage as the equation of zionism with nazism and anti-Semitism? How does the Soviet Union dare to make such a shambles of honesty? How can it perpetrate such a thought? What hypocrisy. One would have thought that even the Soviet Union, in its unprincipled pursuit of political advantage, would have been less shocking or, at the least, less clumsy. Can there be any doubt in anyone's mind that the Soviet objective is to assist the Arabs in their efforts to destroy Israel? In mentioning zionism in the same breath with nazism, the Soviet Union surpassed even its own sorry record of deceit.

I need not dwell for my colleagues on the egregious effort to obscure truth. Let me say simply that zionism is not, like nazism, an expression of hate but an expression of love. It is not, like nazism, a message of destruction but a measure of construction. It does not, like nazism, seek to debase a people but to exalt them. It is not, like nazism, a philosophy of negation but of affirmation. Zionism is the movement to restore the Jewish homeland to the Jewish people. Its only relation to nazism is in its attempt to repair, in some measure, the wreckage that nazism caused. Zionism, Mr. Speaker, is—and I scarcely need say it—the very antithesis of nazism.

The Soviet Union knows, of course, what I have said to be true, but Moscow is attempting to exploit anti-Semitism both at home and now in the United Nations, to extend its influence into Africa and the Middle East. I am sure that the United States has succeeded in exposing its unworthy objectives for what they are and for all to see. The Soviet Union cares nothing about Jews or about justice. To Moscow, Jews and justice are merely tools to further its ignoble end.

The Bolivian Government, to whom we must all be grateful, took the initiative in countering the Soviet slander in the United Nations. Bolivia moved to amend the Soviet proposal to eliminate the distasteful reference to zionism, while retaining the noble thoughts in which Moscow has hypocritically wrapped it. I state the Bolivian text:

States' parties condemn anti-Semitism, nazism, in all its forms and manifestations, and all races involved in the policy and ideology of colonialism, national and race hatred and exclusiveness; and shall take action as appropriate for the speedy eradication of those inhuman ideas and practices in the territories subject to their jurisdiction.

I hope, Mr. Speaker, that the decent peoples of the world will take note of the Soviet Union's unprincipled deception. I hope it casts doubt on the integrity of that country and on its pretentions to lead oppressed peoples around the world. The Soviet Union's purpose was to exploit Jews to serve its national interest. It would not hesitate to exploit any peoples for that purpose. I think the events which I have described at the United Nations gives ample testimony to Moscow's real aims and methods.

ANNUAL AWARDS BY CLEVELAND CIVIC LEAGUE

(Mr. FEIGHAN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. FEIGHAN. Mr. Speaker, the Cleveland Civic League held its first annual civic award night banquet and ball on October 15, 1965, at the Pick-Carter Hotel. At an impressive ceremony the league paid honor to 11 Clevelanders for "Outstanding achievement in community service."

Those honored were: Louis B. Seltzer, editor of the Cleveland Press; our distinguished colleague, CHARLES VANIK, who ably represents the 21st Congressional District of Ohio; Leo Jackson, an outstanding councilman on the Cleveland City Council; Judge Paul D. White of the Cleveland Municipal Court; Helen Lyons, clerk of the Cleveland Municipal Court; State representative, Carl B. Stokes; Dr. Kenneth Clement; Ellsworth H. Harpole; John O. Holly; Joseph Polo, and Harold Williams.

The purpose of these awards, in the words of James W. Wilson, president of the league, is "to encourage other citizens to participate in civic activity in Cleveland thereby elevating its standards to the level that we may be proud to say, "Cleveland is the best location in the Nation."

The success of self-government is dependent upon citizen interest and participation in the many phases of community activities. This is particularly true in our large metropolitan centers such as Cleveland. When citizen initiative fails to encourage voluntary activities for the advancement of a community one of two results follow. Either government must take on more functions that can best be accomplished by voluntary action, or the community falls behind in meeting the challenges of progress. The Cleveland Civic League is dedicated to a six-point civic program which is aimed at encouraging maximum citizen participation in the affairs of the community.

DIGEST of Congressional Proceedings

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CONTENTS

Agricultural appropriations.....1
Appropriations.....1,2
Buildings.....39
Committee assignments...23
Common market.....25
Daylight time.....36
Disaster relief.....4
Economic development....21
Education.....15,35
Farm labor.....12,28
Food.....10,22
Forestry.....5
Government operations....9
Hardwoods.....20
Holiday.....37
Information.....19
Investigations.....18
Irrigation.....6
Lands.....6
Legislative accomplishments.13,27,30
Mining.....38
Moving expenses.....17
National park.....31
Opinion poll.....29
Parkway.....32
Poverty.....26
Property.....7
Recreation.....5
Reports.....8
Shipping.....24
Small business.....14
Stockpile.....40
Supplemental appropriations.....2
Tariff.....20
Taxation.....34
Trade fair.....16
Veterans' affairs.....11
Water.....3,33
World food.....10,22

HIGHLIGHTS: see page 5

SENATE

1. AGRICULTURAL APPROPRIATION BILL. Agreed to the conference report on this bill, H.R. 8370, and acted on amendments in disagreement (pp. 26978-89). This bill will now be sent to the President. (See Digest 196 for table showing the changes agreed upon.)

2. SUPPLEMENTAL APPROPRIATIONS. Both Houses received and agreed to the conference on this bill, H.R. 11588 (H. Rept. 1198). This bill will now be sent to the President. Attached is a table showing actions of the conferees on items for this Department. pp. 27029-36

3. WATER. Passed without amendment S. 2679, to amend the Watershed Protection and Flood Prevention Act, so as to increase the maximum floodwater detention capacity from 5,000 acre-feet to more than 12,500 acre-feet. p. 26956

Passed without amendment H. J. Res. 671, to authorize the President to proclaim November 1965 as Water Conservation Month. This bill will now be sent to the President. p. 26944

4. DISASTER RELIEF. Passed without amendment H.R. 11539, to provide assistance to the States of Fla., La., and Miss. for the reconstruction of areas damaged by the recent hurricane. This bill will now be sent to the President. pp. 26962-68

5. RECREATION. Passed without amendment H.R. 797, to establish the Whiskeytown-Shasta-Trinity National Recreation Area, Calif. This bill will now be sent to the President. pp. 26944-47

6. LANDS. Passed without amendment S. J. Res. 9, to cancel any unpaid reimbursable construction costs of the Wind River Indian irrigation project, Wyoming, chargeable against certain non-Indian lands. S. J. Res. 33, an identical bill, was postponed indefinitely. pp. 26955-56

7. PROPERTY. Concurred in the House amendments to S. 1004, to amend the Federal Property and Administrative Services Act of 1949, to make title III thereof directly applicable to procurement of property and nonpersonal services by executive agencies. This bill will now be sent to the President. p. 26989

8. REPORTS. Concurred in House amendments to S. 2150, to discontinue or modify certain reports required by law. The bill discontinues the requirements for reports on tort claims, Puerto Rican relief loans, and farm housing needs. This bill will now be sent to the President. p. 26989

9. GOVERNMENT OPERATIONS. Sen. McClellan submitted a brief summary of the activities of the Government Operations Committee during the 1st session of this Congress. pp. 26990-97

10. WORLD FOOD. Sen. Mondale commended and inserted a 1948 FFA oratorical contest winning speech, "Can Our Earth Feed Its People?", delivered by FFA Fred R. Harris, now U. S. Senator from Okla. pp. 27042-44

11. VETERANS' AFFAIRS. Sen. Yarborough inserted a letter in support of the cold war GI bill and stated that a poll indicated that enactment of the bill would not harmfully affect the reenlistment rate. p. 27044

12. FARM LABOR. Sen. Williams, N.J., reviewed the farm situation since the termination of the bracero program, stated that our "great challenge is to extend protective coverage" to farm workers, and that reports show that "there has been little movement of U.S. farmers to Mexico." pp. 27093-99

13. LEGISLATIVE ACCOMPLISHMENTS. Sen. McGee inserted a newspaper article praising both the accomplishments of the 1st session of the 89th Congress and the leadership of President Johnson. p. 27073

HOUSE

14. SMALL BUSINESS. Passed without amendment S. 2542, increasing by $120,000,000

netted 614 dead Vietcong and 109 weapons. More recently, Vietnamese troops killed 34 of the enemy—and captured 34 weapons—on an operation. Government figures showing a 300-percent increase in the number of Vietcong defecting under the "open arms" amnesty program may be exaggerated, but the curve is definitely up.

Though harassed, the Vietcong are far from beaten. Despite their heavy losses and their loss of tactical momentum, they still hold vast chunks of South Vietnamese real estate. Thanks to an infiltration rate still running at an all-time high of 1,000 men a month from the north, the Communists have actually managed to increase their strength, now have in South Vietnam an estimated 65,000 main force and regional troops, 80,000 to 100,000 guerrillas, and perhaps 40,000 fellow travelers in logistical and political cadres.

KY TO POWER

Yet the enemy now faces an irrevocable U.S. commitment, and as a result, Saigon of late has had a spring in the step and a sparkle in the eye missing for years. Its visible embodiment is jaunty, popular Premier Nguyen Cao Ky, 35, who has moved with verve from scarf-clad air force commander to chairman of the board in the military collegium now ruling the nation. Ky is the closest thing to a national hero that South Vietnam has, and wherever he goes in Saigon, admiring teenagers gather round.

Ky's promises of social reform and a vigorous attack on corruption, coupled with the recent allied successes against the Vietcong, have so far kept the Nation's fractious Buddhists and Catholics quiescent: they simply cannot find credible grievances that will bring crowds into the street. Even though the Ky government has made no dent in the nation's two big problems—its 680,000 refugees and its soaring inflation—Saigon's political situation, say old hands, is the most stable that it has been since 1960. From time to time, there are complaints that it is too stable, precisely because the military junta is running it, and that civilians ought to be in charge. Ky's Chief of State, Maj. Gen. Nguyen Van Thieu, answers that bluntly: "I don't believe that any civilian government would have enough power to fight the Communists."

Before Ky and the U.S. buildup, Vietnamese desertions were running at a disastrous 500 a month and recruiting was at an alltime low. The desertion rate has now fallen to minimal levels, and Saigon's reserves are at last swelling at the targeted rate of 10,000 new men a month.

WORKING TOGETHER

Perhaps the best measure that the nation increasingly shares Ky's credo is the fact that negotiation with the Vietcong is seldom even discussed. "The only way we can lose this war now," says Thieu, "is in a political or moral way—not in a tactical way. So why should any of us talk of negotiation? If we talk about negotiation now, we give the enemy hope and confidence." Still no one in Saigon—or Washington—has any illusions about the job remaining to be done. Gen. Harold K. Johnson, Army Chief of Staff, used to think in terms of 10 years to finish off the Vietcong, now says cautiously, "Maybe I'm a 9½-year man." Even the most optimistic U.S. officials think 5 years the outside minimum.

With the arrival of the 5,000 marines of South Korea's 15,000-man Blue Dragon brigade at Cam Ranh Bay last week, the allies' combined strength rose to nearly 750,000. Orders for the Vietnamese forces issue from the quiet, air-conditioned offices of the Joint Chiefs of Staff, 2 acres of yellow stucco French colonial buildings in Saigon that once housed the French high command. Chief of State Thieu heads it. Downtown, in his offices on Pasteur Street, the American commander in Vietnam, Gen. William C. Westmoreland, presides over the complex of U.S. commands ranging from Lt. Gen. Joseph Moore's 2d Air Division to Maj. Gen. Lewis Walt's 3d Marine Amphibious Force. The Army's biggest clout is contained in the recently created Field Force Vietnam under Maj. Gen. Stanley ("Swede") Larsen. Headquartered in Nha Trang in the largest and hardest pressed of Vietnam's four corps areas, Force V includes the 1st Team at An Khe, the 101st Airborne's 1st Brigade, and the arriving South Koreans, who will be under American command. The Royal Australian Regiment and the Royal New Zealand artillery batteries are largely under their own command. Working from the long-established pattern of the advisers' program, U.S. officers confer with their Vietnamese counterparts virtually on a daily basis up and down the line.

THE HEROES

There are many Vietnamese heroes of the long war. One of the most bemedaled is Lt. Col. Nguyen Thanh Yen, 42, of the Vietnamese marines, who has spent 15 years fighting the Communists. A bitter, brown, gnomish man called the "Little Tiger," Yen last week, as he always does, was walking every step of the way with his 1,400-man Vietnamese task force in Operation Concord. Beside him was his adviser, U.S. Marine Maj. William Leftwich, 34, whom one of his superiors has called the best American adviser in the country." They set out early in the dazzling morning sun, trudging past the napalmed black bodies of Vietcong killed in a battle the week before.

By midday the heat had Yen's men gasping. Some were vomiting. Then the Vietcong sprang their ambush. Two marines were killed instantly, and five were wounded. "Get up, you batsards," snarled Yen. "It's only a few snipers—get up and move after them." The marines went, and Bill Leftwich, one of the 6,500 U.S. advisers who sometimes feel that they are the "forgotten men" in the new war, went too. The brittle Yen had run through five U.S. advisers until Leftwich came along. By quiet persuasion, Leftwich got Yen to add an engineering platoon, a 75-mm. howitzer platoon, a support and a signal detachment to what had been a medieval band. Since then, Colonel Yen and his men have been killing Vietcong at a 9-to-1 ratio.

THE ELUSIVE TARGET

The basic U.S. strategy in Vietnam today, now that its defensive enclaves are secured, is to go over to the offensive, hitting out from the bases in fairly large-scale thrusts at main Vietcong striking forces—to break them up, keep them off balance, erode their influence. For the present, the United States is less interested in expanding its geography than in wearing down the enemy. The priority targets, as the United States sees them now: first, the U.S. Marines' Hué-Danang-Chu Lai area, then as much of Binh Dinh province as can be cleared, finally the Hop Tac region around Saigon.

The very success of U.S. firepower so far is likely to make big kills harder and harder to come by, as Operation Concord in Binh Dinh province last week proved. An estimated 45,000 Vietcong have been in Binh Dinh, and in the largest operation of the war, 14,000 alleid troops went in at 3 points to try to kill a sizable batch of them. Two hundred helicopters made 358 sorties to drop 5,500 men into Suoi Ca Valley, where a Vietcong regiment was reported. Another 2,500 of the first team were out to clear "Happy Valley" next door to the west, while Vietnamese marines and army battalions closed in from the coast. But as all too often in the frustrating war, there was virtually nobody home. Even where the enemy is decisively smashed, unless allied troops stay, the Vietcong soon slip back.

AFTER THE SHOOTING

The real reason that the battle for Vietnam is only beginning is that battles themselves are only the beginning. When the shooting stops, some sort of Vietnamese authority, ideally local police, must be ready to move in at once to keep the hamlet secure from the Vietcong. After security, the needs multiply: reconstruction of the local economy, land reform, better food and medical care, schools, the beginnings of justice. "In order to win," in the longrun, says Ky, "there must be a full social revolution in Vietnam—our revolution, no one else can do it for us." U.S. Ambassador Henry Cabot Lodge agrees, and a large part of his working day and that of the U.S. mission is spent in helping the Vietnamese lay the foundations for their own revolution. "These people," says Lodge, "have always had a strong sense of peoplehood. What we are now trying to give them is a strong sense of nationhood."

U.S. officials estimate that if pacification is really going to work, ultimately each district (comparable to an American county) will need at least 200 administrators, public health officers, teachers, and engineers. South Vietnam has 220 districts, so 45,000 trained men will be needed. Nowhere near that many are in sight.

SHOWING THE WAY

It is the U.S. Marines who are providing the best pilot model for a pacification program. No fewer than 10,000 marines stood guard recently while the peasant near Danang brought in their rice crop free of the Vietcong—who are accustomed to seizing a large part of it for their own supplies. Navy doctors and corpsmen are treating more than 500 civilians a day in forward military marine areas. To the peasants lined up for sick call, the marines hand out food, clothes, toys, and soap (donated in 100-ton lots of slightly used bathtub bars by the Sheraton and Hilton hotel chains), on occasion have even fed the peasants' livestock and rebuilt their pens. They have built schools and paved over the long unused Saigon-Hué railroad to make the only road in the Danang area that is passable during the monsoons. Result: for the first time in 11 years, peasants are getting their produce to the Danang market.

Recently in Phu Bai a navy doctor paused in the midst of treating a long line of village children to wipe his brow and expostulated: "Dammit, if we could just get these people to wash their kids off with soap and water, half of the cases we're treating here today wouldn't be sick." A marine corporal nearby listened and nodded. Next day five marines, four washtubs and a bag of towels pulled into Phu Bai in a jeep, and an assembly line was soon set up. One by one the village's toddlers were dunked, scrubbed, and rinsed (twice), and finally toweled off. By the time the job was done, the villagers had clearly concluded that it was the finest, funniest show ever staged in Phu Bai—and public health had taken one more small step forward in Vietnam.

Meanwhile the marines, day in and day out, in methodical, grinding patrols against the Vietcong, are killing an average 40 Vietcong a week—at roughly the cost of one marine dead and five wounded a day. Typical was a night's work last week. After dusk a marine platoon surrounded a hamlet in which Vietcong had been reported hiding out, split into five squads and sat down to wait. No one spoke, no cigarettes were allowed, nor was mosquito repellent, despite the stinging swarms—for a trained soldier can smell the chemical 50 yards away. Around 3 a.m. a drenching monsoon rain roared in from the northeast, but still not a marine moved. It

lasted 2 hours. Finally the wan moon reappeared and picked out four men, its light gleaming from their weapons, heading out of the village. The marines opened fire, a grenade exploded, and the leathernecks had one more kill and three wounded Vietcong prisoners. "I hate this goddamned place like I never hated any place I've ever been before," growled a leathery marine sergeant, "but I'll tell you something else: I want to win here more than I ever did in two wars before."

THE GAUNTLET TAKEN

What happens next in the war in Vietnam depends in part on the Communists. Having been halted in midstride, the Vietcong can drop back to the small-unit actions and the sabotage of phase 2, adding perhaps massive terrorism in Saigon to try to bring down the government. It is the kind of war they are best at, but "deconcentrating," as U.S. strategists call it, would be a political retreat that might well affect the morale of their troops and their hold on the peasants. Alternatively, they could go into phase 3 anyway, perhaps even with a mass assault of divisional size on U.S. units in the hope of discrediting the U.S. presence by a major one-shot victory. But that might well prove suicidal, for the Vietcong have discovered that these days a mass assault all too easily turns into an avalanche of airborne bullets, napalm, and bombs. Or they might simply fade away to lie low, Br'er Rabbit fashion, in the hope that sooner or later the United States would get weary of waiting and go back home.

That would be the unwisest course of all. For in deciding to stand in South Vietnam, the United States means just that. "After all, we've kept 250,000 men in Western Europe for 20 years," observes a general. "We can wait too." The United States also means much more. It means to counter the Red revolution with a genuine revolution in health, education, welfare, and self-sufficiency for the Vietnamese that the Communists can hardly be expected to understand. The Communists themselves chose South Vietnam as their test case and springboard to the conquest of all southeast Asia. There are signs that they are already beginning to regret it. The United States has picked up the gauntlet, and it is not only Vietnamese nationhood but all of free Asia that stands to be ultimately strengthened by the extraordinary—and still burgeoning—commitment of the lives and talent and treasure of America in Vietnam.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1966—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8370) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. MONDALE in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of October 20, 1965, pp. 26742–26743, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HOLLAND. Mr. President, I shall not report in detail on the conference agreement. It was agreed to unanimously and was signed by the conferees of both Houses.

Mr. President, perhaps I should inject rather humorously that a conference report based on 3 months of conferring ought to be reasonably acceptable when it is signed by all the conferees, which is the case with reference to this report.

The full text of the conference report and the statement of the managers on the part of the House appears in the CONGRESSIONAL RECORD of October 20, 1965, beginning on page 26742.

At this time I wish to pay my compliments and respects to all of the members of the conference committee. Present in the Chamber is the ranking minority member of the Senate conferees, the distinguished senior Senator from North Dakota [Mr. YOUNG] who with the distinguished senior Senator from South Dakota [Mr. MUNDT] represented the minority Members of the Senate. The distinguished senior Senator from Georgia [Mr. RUSSELL], the distinguished senior Senator from Arizona and chairman of the full committee [Mr. HAYDEN], the distinguished senior Senator from Louisiana [Mr. ELLENDER], and I, as chairman of the Agricultural Subcommittee, represented the majority for the Senate conferees.

The conference was long, extending through various days in meetings held since August 10 to October 20. During much of this period several members of the conference committee were occupied by duties in connection with the farm legislation as it passed through various stages to final action in the conference committee.

The conference bill totals $6,242,929,500. This is $584,118,700 under the 1965 appropriations, $471,054,300 under the Senate bill, $39,704,500 under the revised estimates, and $525,097,500 over the House bill.

The large reduction by the conference in the total amount recommended by the Senate is largely due to the Senate conferees receding on a part of the Senate amendment of $926.8 million to appropriate for the full unreimbursed loss incurred by the Commodity Credit Corporation during fiscal year 1964, with which I shall deal later in my statement.

RESEARCH AND EXTENSION PROGRAMS

Perhaps I should discuss in some detail the items for the planning and the construction of agricultural research facilities.

The conference agreement provides appropriations for plans and for construction of several agricultural research facilities. Last year items for research experiment stations were limited in view of the supplemental estimate of $29 million for pesticides which went to research and extension activities of the Department. The pending conference report includes funds for the construction of all but one of facilities for pesticides which were in the budget for 1966. These pesticide facilities are as follows: Gainesville, Fla., $1,840,000; Stoneville, Miss., $1,564,000; and College Station, Tex., $2,990,000.

The facility proposed at Beltsville, Md., was passed over without prejudice.

The budget also requested construction funds for some of the cotton research facilities for which the planning funds were appropriated last year. All six of these facilities are included in the conference agreement: They are as follows: College Station, Tex., $644,000; Mesilla Park, N. Mex., $92,000; Tempe, Ariz., $1,150,000; Stoneville, Miss., for two facilities, $92,000 and $506,000; and Lubbock, Tex., $276,000.

In addition, funds for additional facilities were requested in the budget and agreed to in the conference on research facilities at: Durant, Okla., $500,000, for water pollution laboratory. Georgetown, Del., $500,000, for a poultry research laboratory. Clay Center, Nebr., $300,000, of planning funds for the research facilities for the Midwest Animal Research Center.

All of these items were budgeted.

Some of the foregoing facilities were omitted in either version of the bill or reduced, but the amounts I have just stated are the amounts agreed to by the conference committee.

As I stated earlier, last year the committee did not act upon requests for several laboratory projects, but in the processing of the bill this year the Senate recommended planning funds for several facilities for which feasibility reports had been previously submitted to the committee from the Department of Agriculture. The committee felt it was justified in taking this action to consider these several research projects and stations and does not consider it has set a precedent. Earlier, the Secretary of Agriculture had announced the proposed closure at 43 locations including lines of research and small stations at an annual savings of $5,150,000.

This committee held extensive hearings on each of these projects and made its recommendations several months ago. The other body made almost identical recommendations, but did not go into the matter as extensively as we did in the Senate committee. In the conference the agreement has been reached to continue 21 of these stations and lines of research at an annual rate of $2,389,900.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be glad to yield. I have not quite come to the point at which I will refer to what the Senator is concerned with. However, I shall be glad to yield to him if his exuberance requires that I yield at this time.

Mr. CARLSON. Mr. President, I want to express my appreciation to Senator HOLLAND of Florida, Senator YOUNG of North Dakota and other members of the Appropriation Committee for inclusion of an item of $225,000 for the planning of a National Grain Marketing Research Laboratory to be located in Manhattan, Kans. The estimated cost of the Laboratory is $3,385,000.

There has long been a pressing need for an adequate Grain Marketing Research Laboratory in the United States. In May of 1960 I first stressed the need for this Laboratory on the Senate floor. At that time, during consideration of the Agriculture appropriation bill, I stated:

The next session of Congress, I expect to introduce legislation and urge its approval, which would give our Nation a sound, adequately staffed, well-rounded research organization which would be housed in facilities that would be in keeping with the needs for research on wheat.

I have brought this issue before the Senate Committee on Appropriations for the last several years. At the committee meeting last year, I stated I would continue to appear and request this item until it was included. This year the laboratory was not only included in the bill, but also accepted by the conference committee.

Our present program of research is handicapped, limited in scope, and progressing more slowly than is necessary or desirable. We have accumulated large stocks of grain on which the Government pays high storage costs. The quality of our grain delivered in foreign markets has been severely criticized.

Improved grain marketing research facilities can solve a wide range of problems in providing quality grain, and increase our ability to market our products more efficiently at a minimum cost. Practical solutions to these problems are of vital importance to the grain producers, to the grain industry, and to the consumers of all grain products.

I am gratified to have played a part in establishing the National Grain Marketing Research Laboratory, which will aid the development of agriculture and benefit our Nation's economy.

Again I want to express my appreciation to Senator HOLLAND of Florida, Senator YOUNG of North Dakota and other members of appropriaitons committee for their support of the National Grain Marketing Laboratory.

Mr. HOLLAND. Mr. President, I thank the Senator. I can assure him that the committee decided he meant what he said and that he would come back again. Aside from that, we had received a feasibility report from the Department of Agriculture. In addition to that, the distinguished Senator from North Dakota [Mr. YOUNG], who comes from the second largest wheat producing State—being exceeded by the State of Kansas—felt that this was a highly meritorious project.

The committee was glad to include this project. We felt that this would be a good year to initiate this research facility in view of the fact that earlier in the session we had cooperated in the closing of a substantial number of research projects and small stations. We wanted to eliminate those research activities which we thought could be closed or discontinued.

We had been postponing for some years the matter of the enlargement of existing laboratories and the appropriation for new facilities.

I yield to the distinguished Senator from North Dakota.

Mr. YOUNG of North Dakota. Mr. President, as the chairman of the committee stated, the need for this grain research laboratory has been before the committee for several years. The committee had not forgotten about the tremendous merit attached to it. We should have included the measure several years ago. However, it so happened that for several years we were not including any research laboratories at all.

It was appropriate this year to recommend it. The persistence of the Senator from Kansas [Mr. CARLSON], finally paid off, with the help of Chairman HOLLAND of the committee, who insisted very strongly that this item be included in the conference.

Mr. HOLLAND. Mr. President, I thank the Senator from North Dakota who was so helpful to our committee.

The Senator from Kansas was not only persistent but also patient. He could see the problems which the committee had been up against in earlier years.

I appreciate the comments of the Senator.

In view of having concurred in the elimination of research activities amounting to $2,760,000, the committee felt justified in moving ahead on the meritorious research stations which had been submitted in the budget estimate and upon other facilities upon which feasibility reports had been received.

The facilities in this category are:

First. Modernization of the livestock research station at Miles City, Mont., to cost $521,000 for which $40,000 was included for plans and specifications.

Second. Modernization of the poultry husbandry research facilities at Glendale, Ariz., estimated to cost $750,000, and $50,000 for plans and specifications was included.

Third. To complete the modernization of the Southwest Great Plains Research Center at Bushland, Tex., estimated to cost $350,000, with $25,000 recommended for plans and specifications.

If I might digress, I felt for a long time that the whole Great Plains soil and water research program has been underemphasized and that the plan to go ahead with that project had been delayed too long. It was built in part a few years ago, and this year we have made it possible for it to be speedily completed. Continuing to list the facilities which I had started to mention, they are:

Fourth. Grain research facility at Manhattan, Kans., estimated to cost $3,385,000, and $225,000 was included for plans and specifications.

Fifth. Modernization of the cereal rust research laboratory at the University of Minnesota, St. Paul, estimated to cost $650,000. An appropriation of $50,000 for plans and specifications was recommended.

I am pleased to report that the conference committee has agreed to each of the above items which were placed in the bill by the committee.

In addition, the Senate committee had included planning funds in the amount of $70,000 for a wool quality research facility to be located at the University of Wyoming.

I see that the distinguished junior Senator from Wyoming is present. I shall yield to him in a moment.

The conference report does not include the funds for planning as proposed by the Senate, but the conferees have agreed to an annual expenditure of $70,000 for high-priority wool research at the University of Wyoming.

Before I yield to my friend, the junior Senator from Wyoming, I wish to state that it was felt that the very elaborate research station set up in California to deal with research on wool prevented the setting up of an additional research facility for the same general purpose in the State of Wyoming or anywhere else. However, it would not at all preclude the idea of essential research at an accelerated rate of $70,000 annually being provided at the University of Wyoming.

I now yield to my friend, the junior Senator from Wyoming.

Mr. McGEE. Mr. President, I thank the chairman of my subcommittee for yielding. I observe that it must have been divine providence that propelled me through the rear door of the Chamber at this particular moment.

I want to pay tribute first of all to the chairman of the committee for having fought the great fight that he fought in behalf of this matter.

The Senator understands fully the problem of refined wool research in high altitudes. If we are to compete effectively with some of the toughest competition in the world, notably the Australians, we must, and we still believe that we will be able to show as we develop the record, that there is an essential difference in the kind of experimentation and testing that they are in a position to do at installations out on the west coast, and what we would be capable of doing in the heart of the area in which most of the wool in the country is raised.

We have long since come to recognize that the continuance of a healthy wool industry is essentially in the national interest in any time of crisis. We want to improve our capabilities to maintain our competitive role to an even greater degree.

With the help and the leadership of the chairman, we hope that we can continue to make progress and continue on in the best national interest.

I thank the Senator for his efforts in this regard.

Mr. HOLLAND. Mr. President, the Senators on our subcommittee and on our full committee—and the junior Senator from Wyoming is one of our able members of both committees—strongly supported a new wool research station, to be located in Wyoming. However, after full discussion in conference, we were inclined to agree with the House conferees that the very elaborate research facility in California can deal with most research problems on wool, and the others can be handled better at some other location, as is proposed in the conference report.

I thank the Senator for his kind remarks.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield to the distinguished Senator from Nebraska.

Mr. CURTIS. I thank the distinguished Senator from Florida, and commend him for his hard and effective work on the measure. Perhaps the general agricultural program leaves many things to be desired. Many segments of agriculture are not happy about all of our farm program.

The fact remains, it is here. When the farmers comply, the Government should comply. I have examined the bill, and particularly wish to thank the distinguished Senator from Florida and his colleagues who served on the committee and on the conference committee for the consideration they have given to the bill generally, and in particular to those features of special interest to my State of Nebraska.

Mr. HOLLAND. I thank the Senator.

Mr. CURTIS. I was present when the Senator was referring to those items earlier, and I wish to express my thanks.

Mr. HOLLAND. I thank the Senator for his gracious comment. His able colleague [Mr. HRUSKA], who is a member of both the subcommittee and the full committee, has made great contributions to this effort, and we are very happy for both of the Senators from Nebraska that two of the objectives for which they have been working for some years are effectuated this year in the conference report.

Mr. CURTIS. I thank the Senator.

Mr. HOLLAND. Mr. President, with reference to the nutrition and consumer use field, in which the Senator from North Dakota [Mr. YOUNG] has probably been more active than any other Senator in urging the initiation of research programs, the conference committee agreed to include the planning funds for developing plans and specifications for what is called a satellite facility in this field, to be located at the University of North Dakota. The planning funds recommended by the Senator for the central facilities were not agreed to in the conference and can be taken up at a later date. I shall be glad to yield to the Senator from North Dakota in a moment, but I wish to make it very plain that his persevering efforts for some years in calling this field of research to the attention of our committee and the Congress are truly responsible for his accomplishment of a feasibility report on both these objectives, the central one at Beltsville and the satellite facility in North Dakota. I congratulate him upon having reached the further objective of securing the planning funds for the facility recommended by the Department for North Dakota.

I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I express my deepest appreciation to our able and distinguished Senator from Florida, Chairman HOLLAND, and also to the Senator from Georgia [Mr. RUSSELL]. Both Senators have long been much interested in the field of consumer research.

These facilities are something the Department of Agriculture has wanted for years. Human nutrition is a most important field of research, and this will give us a start on a program in which there is great interest all over the United States.

I also appreciate very much the interest my good friends in the House have shown in this program. Chairman WHITTEN, of the House conferees, BOB MICHEL, the ranking Republican conferee, the distinguished chairman of the House Committee on Appropriations, Mr. MAHON, and their associates in the conference have done a fine job on this appropriation bill. I always appreciate their efforts on behalf of the farm people. Chairman HOLLAND and my other associates on the Senate committee have done an excellent job.

Mr. HOLLAND. I thank the Senator. It is true that Senator RUSSELL has also been very active in that field. That brings me to Georgia.

Another item included by the Senate is for the initiation of watershed hydrology research in the coastal plains of Georgia with headquarters to be located at Athens, Ga., and $225,000 is appropriated for this purpose of initiating the work for the balance of this fiscal year.

Mr. President, I think it is fair to say that the entire Nation is acutely aware that the field of better use and conservation of water is a matter of tremendous concern to all of us.

In addition to the foregoing laboratories, the conferees have agreed to the inclusion of four projects for soil and water conservation research which were proposed by the members of the conference for the other body. These facilities are as follows:

Oxford, Miss.: Expansion of the sedimentation laboratory at that location to cost an estimated $1 million, and $100,000 is appropriated for plans and specifications.

University Park, Pa.: Modernization of the soil and water research station estimated to cost $400,000, and $40,000 is included for developing plans and specifications.

Pendleton, Oreg.: Modernization of the soil and water research facility at that location is estimated to cost $425,000 and $45,000 is appropriated for plans and specifications.

An appropriation for hydrology research in the Northeast at State College, Pa., in the amount of $225,000 is also included.

Mr. President, I shall be happy to deal with any other feature of the program. Perhaps the school lunch and special milk program would be of general interest. I wish to comment briefly in regard to the appropriations for that program.

The conference committee has agreed to an appropriation of $103 million for the special milk program, which is $5 million below the amount recommended in the Senate version of the bill and is $3 million over the House bill.

The conference committee has also agreed to an appropriation of $157 million, the full estimate, for the school lunch program. This total includes $2 million to be distributed under the formula in section 11 of the amended School Lunch Act for Needy Children. It is expected that the Department will make a good showing next year on this program if it expects the Congress to continue providing funds for this section—which were agreed to in the conference on an experimental basis.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. HOLLAND. I am happy to yield to the distinguished Senator from Minnesota.

The PRESIDING OFFICER (Mr. HARRIS in the chair). The Senator from Minnesota.

Mr. MONDALE. I was occupying the chair at the time the distinguished Senator from Florida commented upon the agreed-upon appropriation of $50,000 for the Cereal Rust Laboratory at the University of Minnesota.

Mr. HOLLAND. That is on the advance planning fund for the modernized facilities.

Mr. MONDALE. That is correct. I wish to express my appreciation, and that of those who have wanted this action for many years, to the senior Senator from Florida. He was quick to recognize the need for this assistance and this program. I know that it was good news for the farmers across the Nation. They have long needed this additional assistance in the critical area of cereal rust diseases, which affect so many of our crops. I know that this appropriation had the support of Senators and Representatives of both political parties, and I wish to express my appreciation to all concerned for this much needed help. It is good news to our farmers.

Mr. HOLLAND. I thank the distinguished Senator. It has been very apparent to our committee for a period of years that the problem of cereal rust has been of major proportions, and that it will require even better handling than the Department of Agriculture and by the various States—because the several producing States have research programs in this field. These improved and modernized facilities in Minnesota will greatly improve the departmental research program to cope with the rust problems which are ever-present in the production of wheat.

Mr. MONDALE. We are grateful that the Senate could be represented on this conference committee by the senior Senator from Florida, who has sound understanding and appreciation of this most important project. I am truly grateful.

Mr. HOLLAND. I thank my distinguished friend, and I accept his statement on behalf of the whole committee, because it so happens that we have on the subcommittee and on the full committee Senators who pretty well represent the whole Nation.

For example, the Senator from Florida might know something about citrus fruits, and perhaps some other things; the Senator from North Dakota would know about wheat, and other Senators about corn, sheep, wool, chickens, and dairying. I see on the floor the sage of the dairy industry so far as the Senate is concerned, the distinguished senior Senator from Vermont [Mr. AIKEN]. By pooling the experiences of all of us, we hope we have been able to give rea-

sonably adequate and fair treatment to all segments of that industry which, I think, among all the industries of the Nation, is most important to its continued existence—agriculture. It is more important to us in the field of foreign relations than anything else we have, because all those who represent us in the foreign field say that our greatness in agriculture, our ability to produce vast quantities of grain and other food materials, and fibers for garments, for export to all the rest of the world, or that part of the rest of the world with which we wish to do business, is the ace in the hole as far as our international relations are concerned. So we are certainly interested in giving them the best job possible.

Mr. MONDALE. Mr. President, will the Senator yield further?

Mr. HOLLAND. I am happy to yield.

Mr. MONDALE. I endorse the observation which the Senator from Florida has made concerning the vast productive power of the American farmer, and the indispensability of that productive power in terms of meeting our needs at home and abroad.

I believe that we are at the threshold of an era during which the capacity of our family farmers, which has been legendary, will be critical to the survival of the world and to the capacity of this Nation to meet its problems in terms of leading the free world.

Let me make one further point. I commend the Senator from North Dakota [Mr. YOUNG] for his leadership and his valuable help in bringing about realization of the Cereal Rust Laboratory at the University of Minnesota. It was a selfless thing for the Senator from North Dakota to have done in one sense, because it is located in an adjoining State to his; but, in another sense, his understanding of the needs for improving research in this field for crops which are predominant in his State is a further reflection of his statesmanship.

Mr. HOLLAND. I thank the Senator from Minnesota for his remarks, particularly for the cordial references to the Senator from North Dakota.

I should like the Senator from North Dakota to know that there is no other Senator upon whom the full committee depends more for accurate information and leadership than upon the able Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. Mr. President, I thank my friends for their kind comments. The Cereal Rust Laboratory is a project which we in North Dakota are most interested in.

We would like to have had this research laboratory in North Dakota, but we thought it would be better situated at the University of Minnesota where this kind of research is already underway.

I want to say, too, that the Senator from Minnesota [Mr. MONDALE] did an excellent job on this facility, and I commend his determination in effecting its accomplishment.

Mr. HOLLAND. Mr. President, I had commented earlier upon the special milk program because it was a matter of particular interest to the Senator from Wisconsin who, I see, has been called from the Chamber.

We intended to retain the full amount of the $108 million which we placed in the bill. We did retain $103 million which is $3 million over the House bill. I do not believe this will adequately take care of the complete need of providing milk for children who do not get adequate quantities of milk in their diet, but it will do a better job than the $100 million would have done.

Mr. AIKEN. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield to my distinguished friend, the Senator from Vermont.

Mr. AIKEN. I should like to ask my chairman on the Agricultural Appropriations Committee whether the conferees agreed to strike out the appropriation of $200,000 for the eradication of the poultry disease known as salmonella pullorum.

Mr. HOLLAND. I am sorry to say to the Senator from Vermont that this is one of the items on which we had to yield. We did retain in the bill a sizable appropriation for research and survey into the extent of salmonella pullorum, but when it came to starting the regional eradication effort, which is what our item was designed to do, and we were happy to include this in the bill at the earnest request of the Senator from Vermont. But, we found that for some reason unknown to us the rest of the poultry industry of the Nation other than the Northeastern area seemed to be opposed to that item, and made such a strong showing on the conferees in the other body that this was one of the items on which the House conferees would not yield.

Mr. AIKEN. I believe that the conferees in the other body were not from the 12 to 15 States from which this disease was to be eradicated—most of them, anyway. Therefore, like myself, they probably were reflecting the attitude of their own constituencies.

Mr. HOLLAND. I should like the Senator to know that the members of the Senate conference committee stood up sturdily for the item. I would not wish the Senator to be under any misgivings about that.

Mr. AIKEN. Let me state how this particular item happened to be included in the bill passed by the Senate. I had received many requests from poultry and egg producers, and also from State officials in the Northeastern States, for an appropriation which would permit this salmonella pullorum disease—which we used to call just pullorum—I believe before that it was called white diarrhea—but it appears that the States, together with private industry, had spent approximately $20 million and had eradicated the disease to the point that U.S. officials estimated that $200,000 more would completely eradicate it from the 12 to 15 Northeastern States.

The Senate accepted the proposal to appropriate $200,000 for this purpose. After the Senate had enacted the legislation, much to my surprise and somewhat to my chagrin, I discovered that a national organization with headquarters in Kansas City was vigorously opposing the appropriation to eradicate this disease with the nauseating name from the 12 to 15 Northeastern States. It was difficult for me to understand why it would do this.

I received telegrams from associations all the way from Ohio to Maine, requesting that this item be retained.

I understand that the State of Georgia and other Southern States which are nearly free from this disease had evinced a great deal of interest. However, the national organization that opposed an appropriation for the eradication of the disease in the Northeastern States took the position that it was a relatively minor disease, that there were worse diseases that should be taken care of first.

However, the fact remains that they were probably right in assuming if 12 to 15 States were pronounced completely free from this disease, those particular States would logically get orders for hatching eggs, which orders might not be available to other States. However, there was a solution for that. I believe that those other States and this national association should get behind the movement to eradicate salmonella pullorum, and any other bad disease afflicting poultry, from the whole of the United States.

At the hearing, the Department of Agriculture witnesses told us that if they could get $200,000 to eradicate this disease from the 12 to 15 Northeastern States, they could go on from there and eradicate it from the entire United States.

Therefore, I believe that this national organization is shortsighted and rather selfish. I realize that the Senate conferees faced an adamant group made up largely of House conferees from other sections of the country. As I say, I was trying to represent my section of the country, just as the Senator from Florida very ably represents his; but I believe that they were misguided in thinking it would be bad for the Midwest to have the 12 to 15 Northeastern States completely free from this disease at this time.

Mr. HOLLAND. Mr. President, I thank the Senator from Vermont for his illuminating and very accurate remarks. Great reams of information have come to all of us on the conference committee, to which the Senate conferees merely replied that they were standing back of the Senate action. The reams of information were to the effect that the Northeastern States would, they feared, obtain a complete monopoly on the shipping of hatching eggs overseas.

I had not realized what a large shipment of hatching eggs goes overseas from this country, particularly to Western Europe, but apparently it is very large. That seemed to be the burden of the complaint of those who did not wish this partial regional eradication to be attempted.

Mr. AIKEN. Of course, the development of a large overseas market is probably what prompted the Northeastern States to try to virtually eradicate the disease, or to get it down to the point where it needed only one more push before it would be completely eliminated; but, I believe that all the States in the Union should clean up these diseases.

Mr. HOLLAND. I agree with the Senator from Vermont that it would be useful if all States could do that. I believe that the net result of the discussion which has been held over a period of 3 to 4 months on this subject will be to bring about a near eradication greater than anything we have yet seen. Sometime in the not too distant future, I hope the country will be completely free from it, and I am sure that the Senator from Vermont feels that way.

On the matter of school lunches, the conference committee recommends the full appropriation of $157 million.

We also recommended—and this is the first time it has been recommended—the inclusion of $2 million under the so-called section 11 formula of the School Lunch Act for particularly needy children in counties that are disadvantaged. We stated clearly—that we expected the Department to make a good showing next year on this program if it expects the Congress to continue providing funds for this section.

I would now like to discuss the compromise reached on the screwworm eradication program.

One of the items which had contributed to delay in the conference committee has been the matter of the basis for continuing cost-sharing in connection with the screwworm eradication program which was initiated a few years ago by the establishment of a barrier zone in the Southwest. Last year, the Appropriation Act provided for the continuation of this activity on a 50–50 cost-sharing basis for the production and the release of the irradiated screwworm flies which are dropped in the barrier zone. This year the budget omitted the cost-sharing language and the House provided $2,806,200, and the Senate approved the same amount; thus, both bodies denied $2,250,000 requested in the budget to place the full cost of the operation upon the Federal Government.

After careful deliberation of this matter following extensive hearings, the Senate Committee recommended the same amount; namely, $2,806,200, and inserted in the bill a provision which would have continued on a permanent basis the cost-sharing provision.

The conferees in the other body would not accept the cost-sharing provisions as we had wrtten in our version of the bill, but have agreed that the appropriation and funds available for maintainig the barrier zone shall be limited to the amount provided by both bodies. In addition, the conferees have agreed to the inclusion of $1 million for the extension of a barrier zone to Arizona and the west coast, of which $600,000 will be matched from State and local sources as the barrier zone is extended to the west coast.

The statement of the managers from the House on this item reads as follows:

The bill includes $2,806,200 for the maintenance of a barrier zone to protect the screwworm freed areas of Texas and New Mexico and other parts of the country from future infestations from Mexico. The bill also provides $1 million for eradication activities in Arizona, $600,000 of which will be matched by funds from other sources, incident to the extension of the barrier zone to the West Coast. The Department should plan, conduct, and finance the Federal portion of the cost of barrier zone operations within the funds provided. The policy of requiring matching by State and local sources of funds expended for the production, irradiation, and release of flies used to eradicate infestations within the areas involved is expected to be continued.

REIMBURSEMENT APPROPRIATIONS FOR COMMODITY CREDIT CORPORATION

The conference committee has agreed to an approprition of $2.8 billion for the reimbursement appropriation to the Commodity Credit Corporation for the net realized losses incurred by the Corporation in the conduct of authorized farm programs in fiscal 1964. The committee had added $926,800,000 to the bill when it was reported to the Senate. The reason for including this sum was to take some immediate action to bring the financial condition of the Corporation to a more current basis. The law provides that reimbursement appropriations shall be requested of the Congress in the regular budget the year following the loss is realized, but in recent years it has been necessary to process two special supplemental bills to enable the Commodity Credit Corporation to discharge all of its authorized activities. These supplemental bills resulted from the failure to request the full amounts for realized losses of the Corporation.

Senators will recall that earlier this session in H.J. Res. 234 there was appropriated $1,600 million for the Commodity Credit Corporation for realized losses and for the conduct of authorized activities under Public Law 480. The Department of Agriculture had subsequently recommended to the Bureau of the Budget the full amount of unreimbursed losses of the Commodity Credit Corporation for the full amount of realized loss for 1964 in the amount of $3,226,800,000; the balance for the fiscal year 1963 in the amount of $81 million; and $1,057 million balance for the revaluation of the inventory for fiscal 1961. The Bureau of the Budget denied this request, as shown on page 119 of the hearings, and tabulated on page 1008 of the printed hearings.

Our committee thought that this action of the Bureau of the Budget was not in accord with the spirit of Public Law 87–155, approved August 17, 1961, which authorizes reimbursement appropriations for this purpose.

The House conferees were in sympathy with the objective of the Senate in including this additional $927 million, but we were not able to reach an agreement on such a large sum in excess of the official budget request for fiscal 1966.

There has just been transmitted to the Congress from the President a supplemental budget request for fiscal 1966 in the amount of $500 million for reimbursement to the Corporation for losses incurred in fiscal 1964. Upon receipt of this document, the conferees agreed to include in the pending conference report $500 million of the $927 million previously added by the Senate, which leaves an unreimbursed balance of about $427 million for fiscal 1964.

In addition, the Senate conferees have acceded to the interest provision requested in the budget and included in the House bill which provides that the Corporation will not be required to pay interest to the Treasury on unreimbursed borrowings following the close of the fiscal year.

This provision on interest charge is of some benefit to the Corporation, but it is my belief that it would be more appropriate—and our committee urges—that steps be taken in the executive branch to request the full amount of reimbursement appropriations for this purpose and in an orderly manner as intended by law. The conference statement on this subject follows:

The conferees are of the opinion that future budget estimates for reimbursement appropriations for net realized losses of the Commodity Credit Corporation should include the full amount of the realized losses for any fiscal year as reflected in the accounts and shown in the report of the financial condition of such corporation as of the close of business of such fiscal year.

It is expected that the budget estimate for next fiscal year will include the full loss realized for fiscal 1965, together with the balance of $427 million, which I just referred to, for fiscal 1964, and the small balance of $81 million of unreimbursed losses which goes back to fiscal 1963. That would still leave unreimbursed the balance of the 1961 loss of $1,057 million. This amount ought to be brought up to date as soon as possible so that we might clean up the accounts of the Commodity Credit Corporation and keep them on a current basis as prescribed by law.

These reimbursement appropriations for the Corporation do not change the rate of expenditures for the various activities which are authorized by law but are merely bookkeeping appropriations to reflect the loss incurred each fiscal year on the farm programs which have been authorized by Congress in the various farm measures.

I shall be glad to answer any questions on the report, but if there are none, I ask that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 8370, which was read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 27 to the bill (H.R. 8370) entitled "An Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes", with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following: ", of which $20,000,000 shall be derived from amounts appropriated under this head for the previous fiscal year, which amount shall be transferred to and merged with this appropriation".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 55, and concur therein with an amendment, as follows:

In lieu of the matter stricken out and inserted by said amendment, insert the following: $1,500,000 of which $250,000 shall be available solely for preparation and submission of the final report and complete and final liquidation of the Commission's activities not later than June 30, 1966."

Mr. HOLLAND. Mr. President, I ask that the House amendments to the amendments of the Senate be adopted en bloc.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments were agreed to.

Mr. HOLLAND. Mr. President, I believe that concludes our action.

I now ask unanimous consent to have printed in the RECORD at this point a comparative table showing the budget estimate, the House, the Senate, and the conference allowances on the various appropriation items in the agricultural appropriation bill for 1966.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966

H. Doc. No.	Item	Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill, 1966	Senate bill, 1966	Conference allowance 1966	Conference bill compared with— Budget estimates, 1966	Conference bill compared with— House bill	Conference bill compared with— Senate bill
	TITLE I—GENERAL ACTIVITIES								
	Agricultural Research Service:								
154	Salaries and expenses:								
	Research:								
	By appropriation	$122,599,000	$116,892,000	$114,394,000	$124,369,800	[1] $123,622,500	+$6,730,500	+$9,228,500	−$747,300
	By transfer from sec. 32	(11,755,000)	(24,600,000)	(24,600,000)	(16,600,000)	(18,100,000)	(−6,500,000)	(−6,500,000)	(+1,500,000)
	Total available	(134,374,000)	(141,492,000)	(138,994,000)	(140,969,800)	(141,722,500)	(+230,500)	(+2,728,500)	(+752,700)
	Plant and animal disease and pest control	[2] 71,169,200	73,160,000	71,119,000	75,060,000	74,299,500	+1,139,500	+3,180,500	−760,500
	Total, salaries and expenses	[3] 193,768,200	[3] 190,052,000	[4] 185,513,000	[4] 199,429,800	[4] 197,922,000	+7,870,000	+12,409,000	−1,507,800
	Salaries and expenses (special foreign currency program)	2,000,000	4,000,000	2,000,000	4,000,000	3,000,000	−1,000,000	+1,000,000	−1,000,000
	Total, Agricultural Research Service	195,768,200	194,052,000	187,513,000	203,429,800	200,922,000	+6,870,000	+13,409,000	−2,507,800
	Cooperative State Research Service: Payments and expenses	49,997,000	[5] 52,367,000	[5] 51,695,000	55,695,000	[5] 54,795,000	+2,428,000	+3,100,000	−900,000
	Extension Service:								
	Payments to States and Puerto Rico	71,919,000	72,800,000	72,800,000	75,600,000	75,600,000	+2,800,000	+2,800,000	
	Fetirement costs for extension agents	7,510,000	7,857,000	7,857,000	7,857,000	7,857,000			
	Penalty mail	3,113,000	3,113,000	3,113,000	3,113,000	3,113,000			
	Federal Extension Service	2,565,000	2,565,000	2,565,000	2,565,000	2,565,000			
	Total, Extension Service	85,107,000	86,335,000	86,335,000	89,135,000	89,135,000	+2,800,000	+2,800,000	
	Farmer Cooperative Service	1,141,000	1,241,000	1,141,000	1,241,000	1,141,000	−100,000		−100,000
	Soil Conservation Service:								
	Conservation operations	104,233,000	104,103,000	105,373,000	106,373,000	106,373,000	+2,270,000	+1,000,000	
	Watershed planning	5,721,000	5,721,000	5,721,000	5,721,000	5,721,000			
	Watershed protection	61,020,000	67,171,000	64,171,000	65,746,000	65,671,000	−1,500,000	+1,500,000	−75,000
	Flood prevention	26,317,000	25,417,000	25,417,000	25,417,000	25,417,000			
	Great Plains conservation program	14,864,000	14,864,000	14,864,000	17,432,000	16,000,000	+1,136,000	+1,136,000	−1,432,000
	Resource conservation and development	1,813,000	4,303,000	2,813,000	4,303,000	4,303,000		+1,490,000	
	Total, Soil Conservation Service	213,968,000	221,579,000	218,359,000	224,992,000	223,485,000	+1,906,000	+5,126,000	−1,507,000
	Economic Research Service: Salaries and expenses	10,922,000	11,366,000	11,072,000	11,591,000	11,536,000	+170,000	+464,000	−55,000
154	Statistical Reporting Service: Salaries and expenses	11,866,000	13,595,000	13,595,000	13,875,000	13,755,000	+160,000	+160,000	−120,000
	Consumer and Marketing Service:								
154	Consumer protective, marketing, and regulatory programs	73,752,000	76,437,000	75,852,000	76,412,000	76,192,000	−245,000	+340,000	−220,000
	Payments to States and possessions	1,500,000	1,500,000	1,500,000	2,000,000	1,750,000	+250,000	+250,000	−250,000
	Special milk program	[6] 51,500,000	100,000,000	100,000,000	108,000,000	103,000,000	+3,000,000	+3,000,000	−5,000,000
	School lunch program	[7] 146,400,000	[7] 157,000,000	[7] 155,000,000	[7] 157,000,000	[7] 157,000,000		+2,000,000	
	Food stamp program	[8] 25,000,000	100,000,000	100,000,000	[9] 80,000,000	[9] 80,000,000	−20,000,000	−20,000,000	
	Total, Consumer and Marketing Service	298,152,000	434,937,000	432,352,000	423,412,000	417,942,000	−16,995,000	−14,410,000	−5,470,000
	Foreign Agricultural Service: Salaries and expenses	[10] 20,779,000	[10] 20,574,000	[10] 20,574,000	[10] 20,574,000	[10] 20,574,000			
	Commodity Exchange Authority	1,169,000	1,169,000	1,169,000	1,169,000	1,169,000			
	Agricultural Stabilization and Conservation Service:								
	Expenses, Agricultural Stabilization and Conservation Service	[11] 108,552,000	138,350,000	[11] 111,714,000	[12] 135,350,000	[12] 126,278,500	−12,071,500	+14,564,000	−9,071,500
	Sugar Act program	[13] 96,000,000	95,000,000	95,000,000	95,000,000	95,000,000			
	Agricultural conservation program	225,000,000	220,000,000	220,000,000	220,000,000	220,000,000			
	Cropland conversion program	15,000,000	10,000,000	7,500,000	10,000,000	7,500,000	−2,500,000		−2,500,000
	Conservation reserve program	194,000,000	150,000,000	140,000,000	146,000,000	146,000,000	−4,000,000	+6,000,000	
S. 33	Emergency conservation measures	[14] 14,000,000	[15] 24,000,000	4,000,000	30,000,000	24,000,000		+20,000,000	−6,000,000
	Total, Agricultural Stabilization and Conservation Service	652,552,000	637,350,000	578,214,000	636,350,000	618,778,500	−18,571,500	+40,564,500	−17,571,500
	Rural Community Development Service	132,000	750,000	500,000	750,000	625,000	−125,000	+125,000	−125,000
	Office of Inspector General	10,116,000	10,961,000	10,416,000	10,491,000	10,491,000	−470,000	+75,000	
	Office of General Counsel	4,039,000	4,229,000	4,139,000	4,229,000	4,184,000	−45,000	+45,000	−45,000
	Office of Information	1,689,000	1,689,000	1,689,000	1,689,000	1,689,000			
	National Agricultural Library:								
	Salaries and expenses	1,599,000	1,865,000	1,599,000	1,865,000	1,699,000	−166,000	+100,000	−166,000
	Library facilities		7,000,000	7,000,000	7,000,000	7,000,000			
	Office of Management Services	2,483,000	2,579,000	2,483,000	2,500,000	2,483,000	−96,000		−17,000
	General administration	3,553,000	3,848,000	3,848,000	3,848,000	3,848,000			
	Total, title I, general activities	1,505,032,200	1,707,486,000	1,633,693,000	1,713,835,800	1,685,251,500	−22,234,500	+51,558,500	−28,584,300

TITLE II—CREDIT AGENCIES								
Rural Electrification Administration:								
Loan authorizations:								
Electrification	[16] (365,000,000)	[17] (350,000,000)	[17] (350,000,000)	[18] (380,000,000)	[18] (365,000,000)	(+15,000,000)	(+15,000,000)	(−15,000,000)
Telephone	[19] (70,000,000)	(97,000,000)	[19] (97,000,000)	[20] (97,000,000)	[20] (97,000,000)			
Total, loan authorizations	(435,000,000)	(447,000,000)	(447,000,000)	(477,000,000)	(462,000,000)	(+15,000,000)	(+15,000,000)	(−15,000,000)
Salaries and expenses	11,934,000	11,934,000	11,934,000	11,934,000	11,934,000			
Farmers Home Administration:								
Rural housing grants and loans		10,000,000		10,000,000				
Direct loan account:								
Real estate loans	(60,000,000)	(40,000,000)	(40,000,000)	(75,000,000)	(75,000,000)	(+35,000,000)	(+35,000,000)	
Operating loans	[21] (300,000,000)	[21] (300,000,000)	[21] (300,000,000)	[21] (300,000,000	[21] (300,000,000)			
Total, direct loan account	(360,000,000)	(340,000,000)	(340,000,000)	(375,000,000)	(375,000,000)	(+35,000,000)	(+35,000,000)	
Rural housing for domestic farm labor		5,000,000	2,000,000	5,000,000	3,000,000	−2,000,000	+1,000,000	−2,000,000
Rural renewal	1,200,000	3,000,000	1,200,000	1,200,000	1,200,000	−1,800,000		
Rural housing for the elderly revolving fund	5,000,000	5,000,000	2,500,000	5,000,000	2,500,000	−2,500,000		−2,500,000
Salaries and expenses	41,233,000	44,692,000	42,733,000	44,692,000	44,000,000	−692,000	+1,267,000	−692,000
Total, Farmers Home Administration	47,433,000	67,692,000	48,433,000	65,892,000	50,700,000	−16,992,000	+2,267,000	−15,192,000
Total title II, credit agencies:								
Loan authorizations	(795,000,000)	(787,000,000)	(787,000,000)	(852,000,000)	(837,000,000)	(+50,000,000)	(+50,000,000)	(−15,000,000)
Direct appropriation	59,367,000	79,626,000	60,367,000	77,826,000	62,634,000	−16,992,000	+2,267,000	−15,192,000
TITLE III—CORPORATIONS								
Federal Crop Insurance Corporation:								
Administrative and operating expenses:								
Appropriation	7,478,000	8,478,000	7,478,000	8,478,000	8,000,000	−478,000	+522,000	−478,000
Premium income	(3,638,000)	(3,638,000)	(4,138,000)	(3,638,000)	(4,000,000)	(+362,000)	(−138,000)	(+362,000)
Commodity Credit Corporation:								
Reimbursement for net realized losses	2,674,000,000	[22] 2,800,000,000	2,300,000,000	3,226,800,000	2,800,000,000		+500,000,000	−426,800,000
Limitation on administrative expenses	(37,351,000)	(36,650,000)	(36,650,000)	(36,650,000)	(36,650,000)			
Public Law 480:								
Sales for foreign currencies	1,862,000,000			1,144,000,000	1,144,000,000			
Emergency famine relief	220,453,000	1,658,000,000	1,658,000,000	298,500,000	298,500,000			
Long-term supply contracts	235,000,000			215,500,000	215,500,000			
Total, Public Law 480	2,317,453,000	1,658,000,000	1,658,000,000	1,658,000,000	1,658,000,000			
International Wheat Agreement	81,838,000	27,544,000	27,544,000	27,544,000	27,544,000			
S. 38 Bartered materials for supplemental stockpile	92,860,000	([23])	30,000,000				−30,000,000	
Total, title III, corporations	5,173,629,000	4,494,022,000	4,023,022,000	4,920,822,000	4,493,544,000	−478,000	+470,522,000	−427,278,000
TITLE IV—RELATED AGENCIES								
Farm Credit Administration: Limitation on administrative expenses	(2,931,000)	(2,990,000)	(2,990,000)	(2,990,000)	(2,990,000)			
National Commission on Food Marketing	700,000	1,500,000	750,000	1,500,000	1,500,000		+750,000	
Total, title IV, related agencies	700,000	1,500,000	750,000	1,500,000	1,500,000		+750,000	
APPALACHIAN REGIONAL DEVELOPMENT								
Agricultural Research Service: Salaries and expenses, Research	100,000							
Cooperative State Research Service: Payments and expenses	300,000							
Extension Service:								
Payments to States and Puerto Rico	717,500							
Retirement costs for extension agents	32,500							
Total, Extension Service	750,000							
Soil Conservation Service:								
Conservation operations	1,575,000							
Watershed planning	600,000							
Watershed protection	10,220,000							
Total, Soil Conservation Service	12,395,000							
Economic Research Service: Salaries and expenses	300,000							
Agricultural Stabilization and Conservation Service: Appalachian region conservation program	7,000,000							

Footnotes at end of table.

Comparative statement of appropriations for 1965 and estimates and amounts recommended in bill for 1966—Continued

H. Doc. No.	Item	Appropriations, 1965 (adjusted)	Budget estimates, 1966	House bill, 1966	Senate bill, 1966	Conference allowance 1966	Conference bill compared with—		
							Budget estimates, 1966	House bill	Senate bill
	APPALACHIAN REGIONAL DEVELOPMENT—continued								
	Farmers Home Administration:								
	Salaries and expenses	$325,000							
	Direct loan account	7,100,000							
	Rural Community Development Service: Salaries and expenses	50,000							
	Total, Appalachian regional development	28,320,000							
	Total appropriations:								
	Title I—General activities	1,565,032,200	$1,707,486,000	$1,633,693,000	$1,713,835,800	$1,685,251,500	−$22,234,500	−$51,558,500	−$28,584,300
	Title II—Credit agencies	59,367,000	79,626,000	60,367,000	77,826,000	62,634,000	−16,992,000	+2,267,000	−15,192,000
	Title III—Corporations	5,173,629,000	4,494,022,000	4,023,022,000	4,920,822,000	4,493,544,000	−478,000	+470,522,000	−427,278,000
	Title IV—Related agencies	700,000	1,500,000	750,000	1,500,000	1,500,000		+750,000	
	Appalachian regional development	28,320,000							
	Grand total	6,827,048,200	6,282,634,000	5,717,832,000	6,713,983,800	6,242,929,500	−39,704,500	+525,097,500	−471,054,300

[1] Includes funds for pay act costs appropriated in Second Supplemental Appropriation Act, 1965.
[2] Includes $650,000 for screw-worm eradication appropriated in Second Supplemental Appropriation Act, 1965.
[3] In addition, reappropriation of $1,000,000 proposed for special fund.
[4] In addition, reappropriation of $2,000,000 proposed for special fund.
[5] In addition, transfer of $400,000 from sec. 32.
[6] Plus $51,500,000 by transfer from sec. 32 funds.
[7] In addition, $45,000,000 transfer from sec. 32 funds authorized.
[8] Plus $35,000,000 by transfer from sec. 32 funds.
[9] In addition, $20,000,000 to be reappropriated and merged with this account, changed to $100,000,000, of which $20,000,000 reappropriated.
[10] In addition, $3,117,000 transfer from sec. 32 funds authorized.
[11] In addition, transfers from Commodity Credit Corporation provided as follows: Fiscal year 1965, $97,508,000; fiscal year 1966, $96,615,000.
[12] In addition, $75,390,000 transferred from Commodity Credit Corporation, and changed to $81,933,500 in conference.
[13] Includes $6,000,000 appropriated in Second Supplemental Appropriation Act, 1965.
[14] Includes $10,000,000 appropriated in Second Supplemental Appropriation Act, 1965.
[15] Includes increase of $20,000,000 proposed by budget amendment transmitted by S. Doc. 38.
[16] Includes $90,000,000 reserve authorization.
[17] Includes $65,000,000 reserve authorization.
[18] Includes $50,000,000 reserve authorization, and $60,000,000 in conference agreement.
[19] Includes $7,000,000 reserve authorization.
[20] Includes $15,000,000 reserve authorization.
[21] Includes $50,000,000 reserve authorization.
[22] Includes $500,000,000 supplemental estimate, transmitted in H. Doc. 307.
[23] Amount of $52,500,000 deleted in budget amendment transmitted by S. Doc. 38.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield to the Senator from Texas.

Mr. YARBOROUGH. First, Mr. President, I commend the distinguished senior Senator from Florida for his work not only in the full committee but in the conference.

A number of important appropriations were made for my State. One item which was added in the Senate and retained in conference was $25,000 toward a total cost of $350,000 for the Southwest Great Plains Research Center in Bushland, near Amarillo, Tex. This $25,000 will be used for plans and specifications to complete the construction of modern facilities of soil and water conservation research. This great facility will benefit the agricultural economy of our Nation for generations to come.

Also included is $664,000 for the construction of a cotton disease laboratory and $2,990,000 for a new pesticides research laboratory at College Station, Tex. These research facilities will pay tremendous dividends through the beneficial work which will be carried out there in the years to come.

The Southwest Great Plains Research Center in Bushland and Amarillo, Tex., has been a long needed facility. This item was put in the bill by the Senate. It was not in the House bill. It provides for a survey in connection with a research center in Bushland and Amarillo, Tex. The work was scattered in 16 or 18 huts, so that the work could not be efficiently done. This work is done for the Great Plains area, reaching from the Rocky Mountains and the West to the Mississippi Valley on the east. It includes some 392 counties in the official Great Plains area where there is a water shortage. It will provide a study of water needs and other important research for the Great Plains area so we will not be faced with what we were faced with in the Dust Bowl days.

Mr. HOLLAND. I thank the Senator for his remarks. I remarked earlier that the whole committee felt it was too bad that this important research station, vital as it was to the Great Plains, had not been completed a long time ago. We were happy to appropriate for this item. I hope it will be useful.

Mr. YARBOROUGH. I have kept up with this matter in the 8 years I have been here. It has not been the fault of either the distinguished Senator from Florida or the Senate of the United States. It did not come before our committee.

There are 392 counties in the official Great Plains area, as defined by the Congress in 1958, starting at about the Texas Pacific Railway, going through the south central part of the State, and up to the Canadian border. It includes parts of 16 States. I commend the Senate for holding in the bill a larger appropriation than had been requested by the Bureau of the Budget. The House provided $14,860,000, and the Senate held the amount by more than $1 million. There are thousands of contracts with farmers involved. They could not begin to process these lands to get them back into range status until this matter could be worked out.

SCREW-WORM PROTECTION

Mr. President, this agriculture appropriations bill contains many items of importance to my State, and I would like briefly to comment upon some of the actions taken in conference.

I commend the conferees for their action continuing the present policy in regard to the screw-worm eradication program. The conference report states:

> The bill includes $2,806,200 for the maintenance of a barrier zone to protect the screw-worm free-areas of Texas and New Mexico and other parts of the country from future infestations from Mexico.

The phrase "and other parts of the country" is the key point, and I commend the conferees for their wisdom in recognizing that this is a national and not merely a local problem. The barrier zone along the Texas-Mexico border, which keeps screw-worms out of the country, protects the whole Nation from screw-worms. If it were not for this barrier zone cattle in all southern parts of the country would be subject to infestation by the screw-worm. Therefore it is just and right that this be a 100-percent Federal program. It would not be just to require the State of Texas and Texas cattle ranchers to pay half the cost of a program that protects against invasion by pests from a foreign country into the whole country as much as it does themselves. The entire Nation benefits from this program and it is right that the entire Nation bear the cost. The policy of requiring matching, by State and local sources, of Federal funds used to eradicate infestations within the areas involved, that is, inside the harvest zone, will be continued.

SKIP ROW COTTON

In the semiarid cotton-growing regions of the Southern Plains, most farmers use a system of planting two rows of cotton, leaving the next two to four rows fallow or planted to other crops, and then planting two more rows of cotton. This method of planting has many benefits. It allows the plants to benefit from moisture and soil nutrients in the fallow land between the cotton rows. Since most farmers in the dry-land areas use two-row cotton strippers, less time is required to harvest a skip-row field and equipment costs are lower. Less cotton is left in the field. The fallow rows make the fields more resistant to wind and water erosion than if they were planted with cotton alone.

Recently the new Secretary of Agriculture proposed regulations under which all the area up to 64 inches in width between the rows of cotton will be considered devoted to cotton production even though the land be planted with some other crop. The effect of this regulation would be to decrease by over 30 percent the acreage computation, and thus the real size of the cotton allotments owned by skip-row growers. In order to avoid this loss the farmer has two equally unattractive choices. He can plant cotton row on row, which would require a larger quantity of water than is available and which would deteriorate the land and increase wind and soil erosion, or he can turn to a new pattern of planting which would meet the regulations, but which could not be harvested by the machinery now used.

I am gratified that the conference report contains the following statement:

> The conferees wish to reaffirm the statements contained in both House and Senate committee reports which call on the Department to retain present practices concerning skip-row planting of cotton. They agree that the elimination of such practice would increase production costs and would fail to utilize the results of extensive research in this area by the Department.

I commend the conferees for their wisdom in this matter.

Mr. HOLLAND. I thank the Senator. As I mentioned earlier, that was a particularly difficult field. We not only reached a compromise on handling the matter in the two States of Texas and New Mexico, which have had a program, both Federal and State, for some 3 years, but we also extended that program to the Pacific by the same type of provision which was used during the early years of the program in Texas and New Mexico.

We are hoping to get rid of screw-worms throughout the United States. At least, that is the intention of the conference action and report.

Mr. YARBOROUGH. As the Senator knows, one of the byproducts of the protection of livestock has been the protection of wildlife and an increase in deer and elk. There has been an increase such as people would not have dreamed of 10 years ago. So the eradication of screw-worms has the byproduce of furnishing an opportunity to multiply the number of those animals.

Mr. HOLLAND. The Senator is correct. For some years, including the past year, I have hunted on a certain pasture not too far from Jacksonville, but closer to St. Augustine, in northeast Florida. There was a time when the deer population was scarce, but since the elimination of the screw-worm, the number of deer has greatly increased. The year before last, after the hunting season—and hunters had taken a large number of deer out—farmers asked the Florida Fish and Game Commission to come in and take out 110 deer, because there were so many in that area, as a result of the elimination of the screw-worm, that they could not be properly nourished.

Mr. YARBOROUGH. One animal biologist has estimated that there are now more deer than there were in the days of the Indians. This is a good byproduct of the program at a time when people have much more leisure time and less working time.

Mr. HOLLAND. I thank the Senator. He is an able member of the committee and has played a full part in forwarding the program.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. MORSE. I join the Senator from Texas in high commendation of the Senator from Florida for the work he has done in bringing to the Senate the conference report in connection with the Department of Agriculture and related agencies appropriation for 1966. Some of us not on the committee may not fully appreciate it, but those of us who are on the committee know it is a thankless job.

On the other hand, I believe I am correct when I say that those who serve on the committee from time to time realize a rich satisfaction for their work as we see some of the great projects developed across the country, strengthening the economy of the Republic.

Although at times we feel that different courses of action should be followed by the Appropriations Committee, that should not be interpreted, in my judgment, as indicating a lack of appreciation for what they do.

I would be remiss if I did not, on behalf of the people of my State, particularly the people in the Pendleton, Oreg., area, thank the Senator from Florida and the entire membership of the conference committee for retaining in the conference report the $45,000 for a soil and water station at Pendleton, Oreg., the total cost of which will eventually be $425,000.

The Senator from Florida knows that I have been hard at work on this project and similar projects for many years. There is a great need for this laboratory in my State, which has serious water problems, as is true of so many States in the Union.

I take this moment to thank the Senator from Florida very much for the cooperation he extended to us in our State.

Mr. HOLLAND. I am grateful, on behalf of myself and all of the members of the subcommittee and the full committee for those generous remarks.

I suppose that everybody who likes to hunt and fish—and the Senator from Florida is one of those—knows about Pendleton shirts.

I was lucky enough to own one at one time. When I heard about the desire for the soil and water station, I naturally put the two ideas together. I was glad to go there and see the station. I was glad to cooperate with the House. Incidentally, the principal drive for this particular station happened to come from the House rather than from the Senate. We were glad to accept it and agree.

Whenever I see a Pendleton shirt now, I shall think of the station.

I hope it will prove to be a blessing to this area of the country.

Mr. COOPER. Mr. President, I am glad that, after 2½ months of deliberation, the Senate-House conferees have successfully concluded an agreement on fiscal 1966 appropriations for the Department of Agriculture. Coming at the close of this session of Congress, with the omnibus farm bill already passed and in the President's hands, the bill assures funds for implementing the agricultural programs.

Reading the conference report, I notice it adopts the higher Senate figure of $106 million for the conservation operations of the Soil Conservation Service—and, of course, the administration proposal for creating a revolving fund into which farmers or SCD's would contribute half the cost of technical assistance was abandoned.

I am very glad, as a member of the Subcommittee on Small Watersheds, that the conferees agreed upon an increase to almost $66 million for watershed protection. The funds for construction are very important to Kentucky, where 21 projects have been approved and are underway.

The bill includes an appropriation of $103 million for the special milk program, which had been reduced to $100 million by the administration, but raised to $108 million by the Senate. And very important, I am glad to see that the amendment of Senator HART, which I cosponsored, has been fully maintained, appropriating an additional $2 million under section 11 of the School Lunch Act for special assistance programs in needy areas.

The State of Kentucky has succeeded in bringing nutritious, hot lunches to many of our eastern Kentucky schoolchildren, but without this additional money, Director Bevins states this special program could not continue through the winter. In the Senate Committee on Agriculture, I had supported the authorization for the special assistance program in 1962, and urged that implementing funds be approved by the Congress for, in many cases, especially in the Appalachian region, the hot meal provided under this program is the only one these children receive.

For the Rural Electrification Administration, I note that the conferees agreed to $305 million plus a contingency reserve of $60 million for the electrification program, an increase over the House figure.

I am disappointed that the Senate recommendation of $10 million for rural housing grants and loans was refused by the House conferees. I know that Congressman PERKINS of eastern Kentucky's Seventh District had taken the initiative in urging the administration to recommend such funds, and I was in touch with him after they had been removed from the administration bill by the House. The rural housing grant program has been of much use in Kentucky, where it provided grants for home repairs and improvements to remove hazards faced by families with low incomes. And, after I had talked to members of the Senate subcommittee, I was very glad when the full amount of this authorization was included by the Senate, and hope the program will again be recommended by the administration and will be approved next year.

The conference bill does include, however, increased funds for meat and poultry inspection, funds for economic research on flowers and ornamentals to be matched by the industry, and $150,000 for an egg-pricing study, which Kentucky's commissioner of agriculture, Wendell Butler, called to my attention.

This appropriation carries funds, not only to support commodity programs, but also for conservation, for the county agent and extension service programs and home demonstration agents. I commend the chairman, Senator HOLLAND, and the members of the committee for their work on this important measure.

MILLIONS OF YOUNG AMERICANS NOT DEMONSTRATING

Mrs. SMITH. Mr. President, I was extremely disturbed by the events of this weekend when thousands of young Americans demonstrated against the conduct of the war in Vietnam and the role of this country in the Dominican Republic. I am even more disturbed by the mounting evidence that our enemies—the Communists—are playing an important role in organizing and directing these youngsters.

As I listened to the reports of these demonstrations and the comments made about the young men and women involved, I felt that this was not a weekend of which Americans could be proud. But as I thought further about this distressing weekend, it came to my mind that while a few thousand Americans were conducting themselves in this manner, while they were decrying American efforts at preventing the spread of communism, and while they were behaving in a manner which can only be described as shameful—there were millions upon millions of other young Americans who were not.

It distresses me, Mr. President, that a generation of stalwart young Americans has been given a black eye which it does not deserve by the activities of a few.

Lest anyone in the world—and more particularly, lest anyone in America—think that these demonstrations typify Young America, let us set the record straight right now.

While a few thousand demonstrated throughout this broad land of ours on Saturday afternoon, millions upon millions of young Americans were too busy to parade. They were doing what young Americans have done for generations—going to football games.

They were too exuberant and too happy to waste their time in snarling defiance of law and tradition.

And while a few thousand draft-age Americans were demonstrating against the draft, nearly 8 million draft-age Americans between 16 and 21 were working to support themselves and to help their families. Of this number, about 3 million were working part time. And is not this in the true tradition of America?

And this weekend, while a few thousand young Americans were demonstrating, millions upon millions of young Americans were attending Sunday school or Sabbath school. Enrollment in such religious training courses has climbed from 29 million back in 1950 to nearly 46 million in 1963, the latest year for which I could get accurate figures.

I would like to contrast for you the picture of the young people marching this weekend with pictures we may have forgotten—pictures of the thousands of young college students who toiled this spring on the levees of the flooding Mis-

Public Law 89-316
89th Congress, H. R. 8370
November 2, 1965

An Act

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1966, and for other purposes; namely:

Department of Agriculture and Related Agencies Appropriation Act, 1966.

DEPARTMENT OF AGRICULTURE

TITLE I—GENERAL ACTIVITIES

Agricultural Research Service

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, marketing, nutrition and consumer use, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work: *Provided*, That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed $20,000, except for six buildings to be constructed or improved at a cost not to exceed $45,000 each, and the cost of altering any one building during the fiscal year shall not exceed $7,500 or 7.5 per centum of the cost of the building, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to a total of $100,000 for facilities at Beltsville, Maryland:

58 Stat. 742.

60 Stat. 810.

58 Stat. 742.

Research: For research and demonstrations on the production and utilization of agricultural products; agricultural marketing and distribution, not otherwise provided for; home economics or nutrition and consumer use of agricultural and associated products; and related research and services; and for acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed $100; $123,622,500, of which not to exceed $11,418,000 shall remain available until expended for plans, construction, alteration, and improvement of facilities, without regard to limitations contained herein, and in addition not to exceed $18,100,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88–250 to be transferred to and merged with this appropriation: *Provided*, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113(a));

79 STAT. 1165
79 STAT. 1166
49 Stat. 774.
7 USC 612c.
77 Stat. 820.
62 Stat. 198.
21 USC 113a.

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and

plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b–c), $74,299,500, of which $1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by any State of at least 40 per centum: *Provided further*, That, in addition, in emergencies which threaten the livestock or poultry industries of the country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for expenses in accordance with the Act of February 28, 1947, as amended, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts;

61 Stat. 7.
31 USC 665.

Special fund: To provide for additional labor, subprofessional and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than $2,000,000 of the amount appropriated under this head for the previous fiscal year may be used by the Administrator of the Agricultural Research Service in departmental research programs in the current fiscal year, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments, in foreign currencies owed to or owned by the United States for market development research authorized by section 104(a) and for agricultural and forestry research and other functions related thereto authorized by section 104(k) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(a) (k)), to remain available until expended, $3,000,000: *Provided*, That this appropriation shall be available in addition to other appropriations for these purposes, for payments in the foregoing currencies: *Provided further*, That funds appropriated herein shall be used for payments in such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph: *Provided further*, That not to exceed $25,000 of this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

68 Stat. 456;
73 Stat. 606;
72 Stat. 275.

58 Stat. 742.
60 Stat. 810.

79 STAT. 1166

79 STAT. 1167

Cooperative State Research Service

PAYMENTS AND EXPENSES

For payments to agricultural experiment stations, for grants for cooperative forestry research, for basic scientific research, and for facilities, and for other expenses, including $48,113,000 to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as

amended by the Act approved August 11, 1955 (7 U.S.C. 361a–361i), including administration by the United States Department of Agriculture; $2,500,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a–582a–7); and not to exceed $400,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88–250 to be transferred and merged with this appropriation; $1,600,000 in addition to funds otherwise available for grants for support of basic scientific research under the Act approved September 6, 1958 (42 U.S.C. 1891–1893); $2,000,000 for grants for facilities under the Act approved July 22, 1963 (77 Stat. 90); $310,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and $272,000 for necessary expenses of the Cooperative State Research Service, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $50,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); in all, $54,795,000.

69 Stat. 671.
76 Stat. 806.
49 Stat. 774.
7 USC 612c.
77 Stat. 820.
72 Stat. 1793.
7 USC 390–390k.
69 Stat. 673.
7 USC 361f.
58 Stat. 742.
60 Stat. 810.

Extension Service

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341–349), $74,030,000; and payments and contracts for such work under section 204(b)–205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623–1624), $1,570,000; in all, $75,600,000: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

67 Stat. 83; 69 Stat. 683; 76 Stat. 745; 60 Stat. 1089.

Retirement and Employees' Compensation costs for extension agents: For cost of employer's share of Federal retirement and for reimbursement for benefits paid from the Employees' Compensation Fund for cooperative extension employees, $7,857,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, $3,113,000.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341–349), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, $2,565,000.

Farmer Cooperative Service

SALARIES AND EXPENSES

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451–457), and for conducting research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), $1,141,000.

44 Stat. 802.
79 STAT. 1167
79 STAT. 1168

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of
49 Stat. 163. April 27, 1935 (16 U.S.C. 590a–590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soil; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, $106,373,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed $2,500, except for one building to be constructed at a cost not to exceed $25,000 and eight buildings to be constructed or improved at a cost not to exceed $15,000 per building and except that alterations or improvements to other existing permanent buildings costing $2,500 or more may be made in any fiscal year in an amount not to exceed $500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a–590f) in demonstration projects: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944
58 Stat. 742. (5 U.S.C. 574), and not to exceed $5,000 shall be available for employ-
60 Stat. 810. ment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service.

WATERSHED PLANNING

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001–1008), to remain available until
68 Stat. 666. expended, $5,721,000, with which shall be merged the unexpended balances of funds heretofore appropriated under this head: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $50,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

WATERSHED PROTECTION

For necessary expenses to conduct river basin surveys and investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001–1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), to remain available until expended, $65,671,000, with which shall be merged the unexpended
79 STAT. 1168 balances of funds heretofore appropriated or transferred to the
79 STAT. 1169 Department for watershed protection purposes: *Provided*, That this

appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not to exceed $5,500,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

58 Stat. 742.
60 Stat. 810.

FLOOD PREVENTION

For necessary expenses, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701–709, 16 U.S.C. 1006a), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including funds for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $100,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain available until expended; $25,417,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That not to exceed $200,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

49 Stat. 1570.
33 USC 701a-701k.
70 Stat. 1090.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), $16,000,000, to remain available until expended.

70 Stat. 1115.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development, and for sound land use, pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), $4,303,000, to remain available until expended: *Provided*, That not to exceed $1,500,000 of such amount shall be available for loans and related expenses under subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $50,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

49 Stat. 163.
75 Stat. 307.
7 USC 1922-1929.

Economic Research Service

SALARIES AND EXPENSES

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm

60 Stat. 1087.

79 STAT. 1170

finance; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; $11,536,000: *Provided*, That not less than $350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not less than $145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

58 Stat. 742.

60 Stat. 810.

Statistical Reporting Service

salaries and expenses

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, $13,755,000: *Provided*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $40,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

60 Stat. 1087.

Consumer and Marketing Service

consumer protective, marketing, and regulatory programs

For expenses necessary to carry on services related to consumer protection, agricultural marketing and distribution, and regulatory programs, as authorized by law, and for administration and coordination of payments to States; and this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $25,000 shall be available for employment at rates not to exceed $75 per diem under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201 (a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946; $76,192,000.

52 Stat. 36.

payments to states and possessions

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $1,750,000.

SPECIAL MILK PROGRAM

For necessary expenses to carry out the Special Milk Program, as authorized by the Act of August 8, 1961 (7 U.S.C. 1446, note), $103,000,000. 75 Stat. 319.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act, as amended (42 U.S.C. 1751–1760), $157,000,000, including $2,000,000 for special assistance to needy schools, as authorized by law: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That $45,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. 60 Stat. 230; 76 Stat. 944. 49 Stat. 774. 7 USC 612c.

FOOD STAMP PROGRAM

For necessary expenses of the food stamp program pursuant to the Food Stamp Act of 1964, $100,000,000, of which $20,000,000 shall be derived from amounts appropriated under this head for the previous fiscal year, which amount shall be transferred to and merged with this appropriation. 78 Stat. 703. 7 USC 2011 note.

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(SECTION 32)

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, and (3) not more than $2,924,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961. 70 Stat. 1119. 16 USC 742a note. 50 Stat. 246. 7 USC 674 note. 75 Stat. 294. 7 USC 1911 note.

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $35,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), $20,574,000: *Provided*, That not less than $255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed $3,117,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service. 68 Stat. 908. 70 Stat. 1034. 49 Stat. 774.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

Amounts heretofore appropriated under this head shall be available for payments in any foreign currencies owed to or owned by the United States.

Commodity Exchange Authority

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1–17a), $1,169,000.

42 Stat. 998; 49 Stat. 1491.

Agricultural Stabilization and Conservation Service

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301–1393); Sugar Act of 1948, as amended (7 U.S.C. 1101–1161); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), 16(h), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g–590q; 7 U.S.C. 1010–1011); subtitles B and C of the Soil Bank Act (7 U.S.C. 1831–1837, 1802–1814, and 1816); and laws pertaining to the Commodity Credit Corporation, $126,278,500: *Provided*, That, in addition, not to exceed $81,933,500 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed $34,874,000 under the limitation on Commodity Credit Corporation administrative expenses): *Provided further*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further*, That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

52 Stat. 38.
61 Stat. 922.
49 Stat. 1148; 50 Stat. 525.
70 Stat. 191; 73 Stat. 552.
62 Stat. 792.
52 Stat. 31.
16 USC 590h.

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101–1161), $95,000,000, to remain available until June 30 of the next succeeding fiscal year.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g–590(o), 590p(a), and 590q), including not to exceed $6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, $220,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the programs of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Related Agencies Appropriation

Acts, 1964 and 1965, carried out during the period July 1, 1963, to December 31, 1965, inclusive: *Provided*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland Types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior, Fish and Wildlife Service Circular 39, Wetlands of the United States, 1956: *Provided further*, That necessary amounts shall be available for administrative expenses in connection with the formulation and administration of the 1966 program of soil-building and soil- and water-conserving practices, including related wildlife conserving practices, under the Act of February 29, 1936, as amended (amounting to $220,000,000, excluding administration, except that no participant shall receive more than $2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That not to exceed 5 per centum of the allocation for the current year's agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current year's program $2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices: *Provided further*, That such amounts shall be available for the purchase of seeds. fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

49 Stat. 1148.
16 USC 590g-590q.

53 Stat. 1147; 54 Stat. 767.
5 USC 118k note.
62 Stat. 792.

CROPLAND CONVERSION PROGRAM

For necessary expenses to promote the conservation and economic use of land pursuant to the provisions of section 16(e) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590p), as amended, $7,500,000, to remain available until expended.

76 Stat. 606.

79 STAT. 1174

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831–1837, 1802–1814, and 1816), and to carry out liquidation activities for the acreage reserve program, to remain available until expended, $146,000,000, with which may be merged the unexpended balances of funds heretofore appropriated for soil bank programs: *Provided*, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants.

70 Stat. 191; 73 Stat. 552.

EMERGENCY CONSERVATION MEASURES

For emergency conservation measures, to be used for the same purposes and subject to the same conditions as funds appropriated under this head in the Third Supplemental Appropriation Act, 1957, to remain available until expended, $24,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated f emergency conservation measures.

71 Stat. 176.

Rural Community Development Service

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Rural Community Development Service in providing leadership, coordination, liaison, and related services in the rural areas development activities of the Department, $625,000: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $3,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

58 Stat. 742.

60 Stat. 810.

Office of the Inspector General

SALARIES AND EXPENSES

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) and not to exceed $10,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S. 55a), $10,491,000.

Office of the General Counsel

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, $4,184,000.

Office of Information

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, $1,689,000, of which total appropriation not to exceed $537,000

may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be available to be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $10,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

34 Stat. 690.

28 Stat. 612.

58 Stat. 742.

60 Stat. 810.

National Agricultural Library

SALARIES AND EXPENSES

For necessary expenses of the National Agricultural Library, $1,699,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $35,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

LIBRARY FACILITIES

For construction and furnishing of facilities for the National Agricultural Library, to remain available until expended, $7,000,000, with which shall be merged the unexpended balance of funds heretofore appropriated under this head.

Office of Management Services

SALARIES AND EXPENSES

For necessary expenses to enable the Office of Management Services to provide management support services to selected agencies and offices of the Department of Agriculture, $2,483,000.

General Administration

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, including expenses of the National Agricultural Advisory Commission; repairs and alterations; and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, $3,848,000: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C.

60 Stat. 237.

1001): *Provided further*, That not to exceed $2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

TITLE II—CREDIT AGENCIES

Rural Electrification Administration

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901–924), as follows:

49 Stat. 1363; 63 Stat. 948.

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, as follows: Rural electrification program, $365,000,000, of which $60,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone program, $97,000,000, of which $15,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural telephone program.

61 Stat. 546. 7 USC 903.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed $500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed $150,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), $11,934,000.

58 Stat. 742. 60 Stat. 810.

Farmers Home Administration

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335(a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, $75,000,000; and operating loans, $300,000,000, of which $50,000,000 shall be placed in reserve to be used only to the extent required during the current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program.

75 Stat. 307.

RURAL HOUSING FOR DOMESTIC FARM LABOR

For financial assistance to public nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (78 Stat. 796–798), $3,000,000, to remain available until expended.

42 USC 1486.

RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, $1,200,000, to remain available until expended. 76 Stat. 607. 7 USC 1011.

RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

For loans pursuant to section 515(a) of the Housing Act of 1949, as amended (42 U.S.C. 1485), including advances pursuant to section 335(a) of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1985) in connection with security for such loans, $2,500,000. 76 Stat. 671. 75 Stat. 315.

SALARIES AND EXPENSES

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, title V of the Housing Act of 1949, as amended (42 U.S.C. 1471–1484), and the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440–444); $44,000,000, together with not more than $2,250,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farmers Home Administration Act of 1961, as amended, and section 514(b)(3) of the Housing Act of 1949, as amended: *Provided*, That, in addition, not to exceed $500,000 of the funds available for the various programs administered by this Agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) to meet unusual or heavy workload increases: *Provided further*, That no part of any funds in this paragraph may be used to administer a program which makes rural housing grants pursuant to section 504 of the Housing Act of 1949, as amended. 75 Stat. 307. 63 Stat. 432. 64 Stat. 98. 75 Stat. 309. 7 USC 1929. 75 Stat. 186. 42 USC 1484. 58 Stat. 742. 63 Stat. 434. 42 USC 1474.

TITLE III—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided: 61 Stat. 584. 31 USC 849.

Federal Crop Insurance Corporation

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, $8,000,000.

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed $4,000,000 of administrative and operating expenses may be paid from premium income: *Provided*, That in the event the Federal Crop Insurance Corporation Fund is insufficient to meet indemnity payments and other charges against such Fund, not to

exceed $250,000 may be borrowed from the Commodity Credit Corporation under such terms and conditions as the Secretary may prescribe, but repayment of such amount shall include interest at a rate not less than the cost of money to the Commodity Credit Corporation for a comparable period.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

To partially reimburse the Commodity Credit Corporation for net realized losses sustained but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a–11, 713a–12), $2,800,000,000: *Provided*, That after June 30, 1964, the portion of borrowings from Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after June 30 of the fiscal year in which such losses are realized, shall not bear interest and interest shall not be accrued or paid thereon.

75 Stat. 391.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed $36,650,000 shall be available for administrative expenses of the Corporation: *Provided further*, That $945,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.

31 USC 665.

PUBLIC LAW 480

For expenses during fiscal year 1966, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701–1709, 1721–1724, 1731–1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, $1,144,000,000; (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said Act, $298,500,000; and (3) long-term supply contracts pursuant to title IV of said Act, $215,500,000.

68 Stat. 455; 73 Stat. 610.

INTERNATIONAL WHEAT AGREEMENT

For expenses during fiscal year 1966 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641–1642), $27,544,000, to remain available until expended. 63 Stat. 945.

TITLE IV—RELATED AGENCIES

Farm Credit Administration

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $2,990,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

National Commission on Food Marketing

SALARIES AND EXPENSES

For necessary expenses of the National Commission on Food Marketing, established by Public Law 88–354, approved July 3, 1964, $1,500,000, of which $250,000 shall be available solely for preparation and submission of the final report and complete and final liquidation of the Commission's activities not later than June 30, 1966. 78 Stat. 269. 7 USC 1621 note.

TITLE V—GENERAL PROVISIONS

Sec. 501. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed four hundred and sixty-four (464) passenger motor vehicles, of which four hundred and forty-eight (448) shall be for replacement only, and for the hire of such vehicles. Passenger motor vehicles.

Sec. 502. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service. Employment of aliens.

Sec. 503. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131). Uniform allowances. 68 Stat. 1114.

Sec. 504. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same. Cotton prices, prediction.

Sec. 505. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States. Twine.

79 STAT. 1179

Contracting.

SEC. 506. Not less than $1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621–1629; 42 U.S.C. 1891–1893), shall be available for contracting in accordance with said Acts.

Short title.

This Act may be cited as the "Department of Agriculture and Related Agencies Appropriation Act, 1966".

Approved November 2, 1965.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 364 (Comm. on Appropriations) and No. 1186 (Comm. of Conference).
SENATE REPORT No. 423 (Comm. on Appropriations).
CONGRESSIONAL RECORD, Vol. 111 (1965):
May 26: Considered and passed House.
July 13: Considered and passed Senate, amended.
Oct. 20: House agreed to conference report and concurred in certain Senate amendments, with amendments.
Oct. 21: Senate agreed to conference report and to House amendments.

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